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NEWS SUMMARY

GENERAL

Vance confirms Games boycott

Cyrus Vance, Secretary of State, said the U.S. is to go ahead with its boycott of the Olympic Games in Moscow, because Soviet troops have not withdrawn from Afghanistan by yesterday's deadline set by the White House.

Mr Vance also said in Bonn that the U.S. approved the EEC *initiative aimed at creating* a neutral Afghanistan after a Soviet withdrawal.

The State Department said 25 countries *had expressed* their firm intention to boycott the Moscow games, while a further 25 had told the White House privately that they supported a boycott. Several more countries were still considering the move.

In Moscow Mikhail Suslov, the chief Soviet ideologist, warned that Russia would not be intimidated. Page 2; Editorial Comment Page 24

Iran inquiry

United Nations commission of inquiry into Iran's complaints *against the deposed Shah* will leave Geneva for Tehran at the weekend, UN Secretary-General Kurt Waldheim said. Earlier story Page 4

Dutch crisis

Netherlands coalition Government was on the brink of a crisis last night after Finance Minister Frans Andriessen resigned in a dispute over *government spending cuts.*

Nuclear go-ahead

French Government has given the go-ahead for the start-up of two nuclear power stations which have been idle since last autumn when hairline cracks were found in some components. Page 8

Reactor warning

Switching to pressurised water reactors for Britain's nuclear power stations might mean courting the risks demonstrated last year at Three Mile Island, MPs were told. Page 10

Rhodesia call

Call to reconvene the parties at the Lancaster House conference to discuss the "dangerous" situation that may follow the Rhodesian elections was made by Peter Shore, Shadow foreign Secretary. Page 12
South African fears, Page 4

Faulty heart

Heart given to Dorothy Hayward, Britain's first woman transplant patient who died earlier this week, was faulty, a London coroner said. The fault could not have been detected before the heart was cut open.

Sardinian arrests

Sardinian police have arrested 41 people in a recent crackdown on kidnap gangs. All are suspected of involvement in seven abductions, including that of businessman Rolf Schild, his wife and daughter.

Silver rush

Parisians flocked to coin dealers after France announced the withdrawal from circulation of silver-based coins, which are worth up to six times their face value. Men and Matters, Page 24

Briefly . . .

Israeli teacher, aged 28, has given birth to quintuplets. The four boys and a girl are all expected to live.

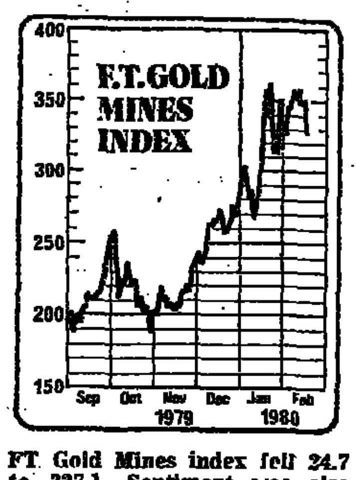
Relics, including a Roman temple, have been discovered in the northern Jordan Valley.

Twenty-one people have been murdered in Rio de Janeiro since the annual carnival started last weekend.

BUSINESS

Equities weaker; $21 fall in gold

● EQUITIES weakened with attention centred on South African Golds which reflected the decline in metal prices. The



FT Gold Mines index fell 24.7 to 327.1. Sentiment was also affected by the Welsh miners' strike vote and the FT 30-share index ended 3.5 lower at 458.3.

● GILTS lost earlier gains. The FT Government Securities index finished unchanged at 65.96.

● GOLD fell $21 to $627.50 after recovering in late trading in London.

● STERLING rose 75 points to close at $2.2795 ($2.2720) and its index rose to 72.5 (72.3). DOLLAR index eased to 85.7 (85.8) and against the D-mark the U.S. currency eased to DM 1.7475 (DM 1.7480). But it *rose against some currencies to* SWFr 1.6430 (SwFr 1.6380) and Y246 (Y245.40).

● *WALL STREET* was 4.61 higher at 880.63 shortly before the close.

● MORGAN GUARANTY TRUST has confirmed that it will be entering the New York gold market as a dealer.

● U.S. trade with the Soviet Union is expected to fall sharply this year after reaching an all-time high in 1979. Page 6

● MANNESMANN HANDEL and Thyssen Stahlunion are to delivery 700,000 tonnes of steel *pipes to Russia this year.* Page 6

● KUWAIT'S Oil Minister has said his country would reduce its daily crude output of about 2m barrels by 25 per cent later this year. Page 4

● NORWAY'S economic growth last year exceeded official estimates, due mainly to North Sea oil and gas output. Page 3

● COMMERCIAL vehicle sales in January at 24,090 were 10 per cent higher than January, 1979. Page 10

COMPANIES

● CARRINGTON VIYELLA taxable profits fell last year to £8.49m from 1978's £14.51m but the chairman says 1980 should benefit from the elimination of *loss-making sectors.* Page 26 and Lex Back Page

● ANGLIA TELEVISION profits fell some £890,000 to £2.72m in the year to last October 31 due to the TV strike. Page 26

● BERISFORDS taxable profits for the last full year fell to £1.06m (£1.15m) after a sharp fall in the second half. Page 27

● AECI, South Africa's major *chemicals company,* made pretax profits in 1979 of R125.4m (£67.4m) against R95.3m previously, aided by substitution of coal for oil as feedstock. Page 32

● DEUTSCHE BABCOCK, the German construction and engineering group, reports 1979 balance-sheet profits of DM 45m (£11.2m) against DM 41m previously. Page 31

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Lloyds Bank	298	− 7
Treas. 15pc 1985	£99⅜	+ ⅛	Sothebys	500	− 10
Berisfords	90	+ 6	Thermal Syndicate	112	− 7
Brown (John)	54½	+ 3	Tube Invs.	298	− 6
De Vere Hotels	228	+ 6	Castlefield (Klang)	535	− 15
Glanfield Lawrence	65	+ 5	Guthrie	805	− 20
Jones (Ernest)	235	+ 18	Bougainville	202	− 12
Newmark (Louis)	330	+ 18	Leonard Oil	90	− 15
Ratners (Jewellers)	57	+ 3	Libanon	943	− 107
Burmah Oil	222	+ 5	MIM Holdings	270	− 22
FALLS			Magnet Metals	54	− 11
Alexanders Discount	195	− 5	Monarch Petroleum	35	− 8
Armitage Shanks	95	− 6	Otter Exploration	120	− 10
Barclays Bank	440	− 8	Paringa	65	− 13
Booker McConnell	255	− 12	RTZ	440	− 20
British Home Stores	258	− 6	Rustenburg Plat.	264	− 12
Carrington Viyella	46	− 14	Samantha	140	− 17
Foster Brothers	190	− 8	South African Land	351	− 99
Furness Withy	368	− 5	Western Deep	£17¼	− 1¼
Gillett Brothers	185	− 40	Western Mining	238	− 10
Harris Queensway	178	− 8	Winkelhaak	£12½	− 1¼

S. Wales miners to strike

South Wales miners agreed to join steelworkers in an all-out strike from Monday over the threatened *run-down of* the region's steel and coal industry. Page 11

Kent miners were among the *1,300-strong picket at the* privately-owned Sheerness Steel where 800 workers are defying union orders to join the strike. After scuffles with police there were 21 arrests and five people were treated in hospital for minor injuries. Back Page

In Lanarkshire 30 pickets were arrested and charged with obstruction after *attempting to prevent empty* lorries entering steel stockyards. Page 8

Despite the picketing of *major ports, there are indi*cations that a considerable amount of steel is being imported from the Continent, particularly in container traffic through the London docks.

Steel stocks should last for four weeks according to manufacturers responding to CBI surveys. Page 8

Increased aid for the UK steel industry from the EEC will be sought in Brussels today by steelworkers' leader Bill Sirs, and Len Murray, TUC general secretary.

TUC employment policy and organisation committee agreed to meet James Prior, Employment Secretary, to discuss the Government's working paper on secondary industrial action. Back Page

Labour in censure motion on economy

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT is to face its first censure attack since *the General Election in the* Commons next week, following a Shadow Cabinet decision last night to launch an all-out assult on Mrs. Thatcher's economic and industrial policies.

There will be a debate on a motion of no confidence in the Government, launched by Mr. James Callaghan, Opposition Leader, and Mr. Denis Healey, Shadow Chancellor, which will give the Opposition the opportunity to criticise the whole range of Cabinet policy.

The Shadow Cabinet has held back until now from tabling a motion of no confidence, the ultimate Parliamentary weapon, because of the inevitability of a Commons defeat. But Labour leaders now believe they have enough ammunition to launch an effective propaganda exercise.

Apart from what they regard as the worsening industrial crisis created by the steel strike, they will criticise the whole economic and fiscal strategy in the June Budget, which has resulted in record interest rates, high mortgages, rising unemployment and a *series of ominous economic* indicators.

With Mr. Callaghan's intervention the Prime Minister is *certain to take part in the* debate, the timing of which will be known today.

Sir Geoffrey Howe, Chancellor of the Exchequer, is likely to be the other Government speaker.

The motion of no confidence at this stage is likely to unite the Government and the Tory back-benchers more effectively than any other tactic. There have been worrying signs of divisions in recent weeks within both the Cabinet and among MPs.

The Cabinet apepars to have recovered some of its equili*brium after the arguments* of the last two weeks over tougher industrial relations legislation, and this trend is likely to continue under open attack from the Opposition.

Ministers accept that substantial damage has been done to the Government's credibility after the almost pubilc arguments within the Cabinet.

But the hope is that these divisions have been healed by the compromise formula on secondary industrial action published on Tuesday by Mr. James Prior, the Employment Secretary.

Mr. Prior has come under con*siderable criticism from his col*leagues because of reports that he criticised British Steel Corporation management and advocated the sacking of Sir Charles Villiers, the BSC chairman.

He claims that these reports were exaggerated, and did him less than justice; and Mrs. Thatcher is understood to be anxious to see the affair closed.

How much damage has been *done to Mr. Prior's reputation* among his colleagues for skilful political judgement remains to be seen.

BL workers defy union calls to back Robinson

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS workers at Longbridge delivered a humiliating rebuff yesterday to Mr. Derek Robinson, their dismissed convenor, rejecting by an overwhelming majority an official strike call to secure his reinstatement.

Mr. Robinson, the dominant shop steward within BL Cars, was booed and jeered by large sections of a 12,000-strong mass *meeting* at Birmingham. On a show of hands, fewer than 1,000 workers came to his support.

Sir Michael Edwardes, the BL chairman, *in* Birmingham for a speaking engagement, was given a triumphant reception by the local Chamber of Commerce.

He said the Longbridge news would "spread like wildfire" through the country and help the company's "Buy British" campaign. At the same time he drew attention to "the great damage" done to BL's UK market share by the 93 days it had taken to resolve the Robinson issue since the first notice of his dismissal last November.

He also signalled his impatience at the deadlock in negotiations with the unions over the company's 5 per cent pay offer. Failure to agree *caused uncertainty and made* it more difficult for the company to recover.

"Continuing prevarication over key issues such as pay and working reforms pushes recovery further and further away," said Sir Michael.

On the pay front, BL may again appeal for help in implementing the deal to the Confederation of Shipbuilding and Engineering Unions. Alter*natively, a direct approach may* be made to the general secretaries of the principal unions in the company to spell out the details of the latest crisis.

The uncompromising tone of Sir Michael's speech made it clear that he would not make any pay concessions or withdraw the demand for fundamental changes in working practices.

"If I have one plea to make to the unions it is they should believe the scale of BL's problems and they should never say, 'I thought they were *bluffing*'," he said.

"If providing a sound base means that at least 25,000 jobs have to go to give a measure of security to 135,000 others—then so be it. If market share requires more than 25,000 jobs to go what other option have we?"

It was quickly clear from the hostile mood of yesterday's meeting and the anti-Robinson banners that the engineering and transport unions' call to back Mr. Robinson would not be heeded. But the overwhelming ten to one majority caused surprise.

Mr. Robinson, aged 52, who has worked at Longbridge for 38 years, is expected to find it difficult to get another job.

GM to spend $500m in Europe

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS is to establish five more component plants in Europe, one in Northern Ireland. The total cost will be *about $500m (£217m)*, towards which GM will receive substantial government grants.

Three of the other plants will be in Spain, and the fifth in Austria. In Northern Ireland another facility, yet to come on stream, will also be expanded.

They are in addition to the *car assembly plant and metal* stamping facility in Spain and the engine plant in Austria GM is currently building at a cost of $2bn.

The new component plants are expected to be operational in mid-1981 and 1982. When in full production, they will employ about 1,600 in Spain, nearly 1,200 in Austria and 600 *in Northern Ireland.*

GM is chasing hard after Ford in markets outside the U.S. and is determined to build on its 11 per cent share of the Western European market. In Europe it uses the Opel and Vauxhall names on passenger cars.

*The group yesterday estim*ated that growth in the Western European car market would be around 4 per cent a year compared with only 2.5 per cent in the U.S. This European forecast is more optimistic than that made by other major groups who look for 2 to 3 per cent annual growth.

In Northern Ireland the new plant will be at the Kennedy Way Industrial Estate in West Belfast, an area of high unemployment. The cost will be more than $40m, but the project will attract a comprehensive package of incentives from the Northern Ireland Development Agency, including grants *of up to 50 per cent for capital* equipment, start-up grants and training grants.

It should come into operation in mid-1981 and be employing 200 people the following year.

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Overdraft costs 'may rise soon'

By Peter Riddell, Economics Correspondent

THE CLEARING banks have *told the Bank of England that* there may still be a rise in cost of overdrafts in the next few months because of the tight squeeze of corset restrictions on growth of their operations.

The Bank provided £500m last week of help to the clearers to relieve pressures at yester*day's banking make-up day.*

This was reflected in an adequate supply of credit and a fall in very short-term interest rates.

Burden

At a meeting at the Bank *earlier this month the clearers* warned that the problems might last for some time, as they expected to face penalties of loss of interest under the corset limits, probably at least until the middle of this year.

The banks claim that they face an inequitable burden of the monetary squeeze because of switching from the money market, and that it is very difficult to reduce lending in the *short term under the flexible* overdraft system in face of industry's financial squeeze.

Though the clearers are keen to stress that no pressure has been applied, one leading banker said yesterday that unless the corset was eased further, or removed, there might be no alternative to a sharp rise in base lending rates.

There is only limited official sympathy for the clearers' position. Assistance was provided last week because the Bank felt both that the clearers faced special, possibly temporary, *problems, and that there* was insufficient firm evidence of an underlying change in the demand in credit to justify a general rise in interest rates.

Easing

The issue is likely to arise again before the mid-March make-up day. Some City commentators are concerned that further help might represent a significant easing of the monetary squeeze to avoid a politically unacceptable rise in interest rates. The Government *is keen to cut rates as soon as* possible.

Interest rates are rising both on the Continent and in the U.S.

Editorial comment, Page 24

£ in New York

—	Feb. 19	Previous
Spot	$2.2760-2770	$2.2985-3000
1 mth	0.28-0.23 dis	0.71-0.66 dis
3 mths	1.30-1.25 dis	1.86-1.81 dis
12 mths	3.22-3.12 dis	4.45-4.35 dis

Swiss foreign interest ban lifted

BY JOHN WICKS IN ZURICH AND DAVID MARSH IN LONDON

SWITZERLAND has lifted a five year ban on interest payments on bank accounts held by foreigners.

As part of a move to bolster the Swiss franc and dampen inflation, Swiss authorities are also relaxing limits on banks' forward currency dealings and easing restrictions on central *banks' Swiss franc holdings in* the country.

The measures announced yesterday by the Swiss Government carry further the process of dismantling barriers to capital inflows which began towards the end of last year.

Partly in response to interest rate rises in the U.S. and Japan, the Swiss franc has lost ground this week, exacerbating inflationary pressures caused by *higher import prices. Last night* it fell further against a buoyant dollar to SwFr 1.6420 against SwFr 1.6380 on Tuesday.

The round of international interest rate tightening continued yesterday with a further ⅜ per cent rise to 12⅜ per cent in the Bank of France's Money market intervention rate. There is also some speculation that West Germany may shortly increase bank rate from the current 6 per cent.

From today foreigners will be able to receive interest on savings and deposit accounts at *Swiss banks. Current deposit* rates are 4.25 per cent for three to five month money and 4.50 per cent for six to 12 months. The ban on interest payments to foreigners had been in force since November 1974, with exceptions for accounts opened before then.

However, an interest ban remains in force on inter-bank *sight and time deposits.* The only exception is for foreign central banks, which will receive interest on time deposits of at least six months.

The National Bank pointed out that central banks were thus being accorded special treatment.

The *relaxation of forward* dealing limits will lift banks' *ceiling on forward franc sales* to foreigners of up to 10 days, from 20 to 40 per cent of the volume as of October 31, 1974. For contracts of more than 10 days, the ceiling is raised from 50 to 80 per cent.

Yesterday's measures reflect the switch in the Swiss authorities' monetary priorities from holding down the franc to fighting inflation. Import prices in January were up 34.4 per cent on the year before, and consumer price inflation is running at 5 per cent, the highest for five years.

The Swiss Government's success in bringing down the exchange rate from its peak of *September, 1978 has made it* possible to scrap a number of measures aimed at keeping out hot money over the past year. One of the most important moves had been the abolition of the negative-interest commission on new foreign money.

● There were dramatic price falls on the London commodity markets yesterday following another wave of selling by speculators, mainly from the U.S. *A strong recovery in late* trading helped reduce sharp early losses. Page 37

Money markets, Page 33; Lex, Back Page

Dollar bond 'shake out'

BY FRANCIS GHILES

The dollar sector of the *international bond market* yesterday experienced what most dealers described as its worst shake out ever.

In hectic trading, following Tuesday's ½ per cent rise in the U.S. prime rate to 15¾ per cent, there were many claims that the market was no longer functioning properly and that dealers were refusing to quote prices.

Nevertheless, the best established trading houses remained adamant that the market was still viable. They reported a record level of business as the turbulent movement in prices created possibilities for arbitrage.

The overall price movement on the day was smaller than in previous days but this disguised violent swings of up *to four points for some issues* in the course of trading.

The total fall of dollar bonds during the past week now averages 3½ points with much larger falls on recent issues or bonds of longer maturity.

First Chicago, the London offshoot of the major Chicago bank, said it was significantly increasing the spread on its price quotations in order to reduce the volume of business and catch up on settlements.

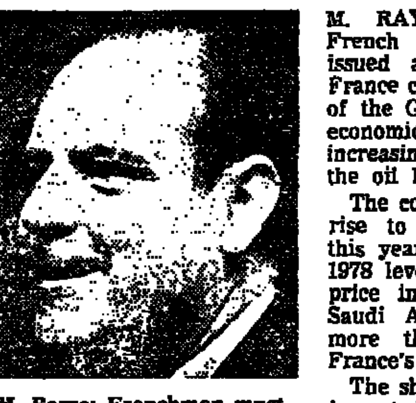
In the last two weeks Hill Samuel, the London merchant bank, has stopped trading Eurobonds and Kuhn Loeb Lehman Brothers has reduced the range of bonds it is willing to make prices in.

Details, Page 30

EUROPEAN NEWS

France to keep restrictive policies

BY ROBERT MAUTHNER IN PARIS



M. Barre: Frenchmen must tighten their belts.

M. RAYMOND BARRE, the French Prime Minister, has issued a stern warning that France can expect no relaxation of the Government's restrictive economic policies, given the increasing economic burden of the oil bill.

The cost of oil is expected to rise to FFr 110bn (£11.7bn) this year, more than twice its 1978 level, following the latest price increases announced by Saudi Arabia, which provides more than 35 per cent of France's oil imports.

The sharp rise in the bill for imported energy was mainly responsible for the large January trade deficit of FFr 4.6bn, which was almost half the total trade deficit in 1979.

M. Barre said that, in the circumstances, Frenchmen would have to continue to tighten their belts. There could be no question of a switch to more expansionary policies which would lead merely to a further deterioration of the external account, and give an additional twist to the inflationary spiral. If need be, the authorities would step up their fight against inflation.

M. Barre even cast doubt on whether wage-earners' purchasing power could be maintained this year, although this has been fundamental to his economic policies since he was appointed Prime Minister in 1976. Disposable income could be kept at present levels only if workers refrained from demanding excessive wage increases.

According to the latest provisional forecasts, France's gross national product will grow by 2 per cent at the most in 1980, the rate of inflation is expected to remain at 11 to 12 per cent, and nominal hourly wage rates are expected to rise by about 13 per cent.

Spending cuts on way for Ireland

By Stewart Dalby in Dublin

SEVERE CUTS in public spending in the Irish budget next Wednesday are foreshadowed in the estimates released by the Finance Ministry this week. Spending on goods, services and pay is expected to rise by only 12.2 per cent to Ir£2.6bn in 1980-81.

This overall rise includes agreed public sector pay rises of 20 per cent. Without these rises the estimates allow for an increase of only Ir£55m or 4.7 per cent in all other services provided by the state.

The public sector increases include only those already granted and exclude probable pay rises to teachers and nurses.

Inflation this year will probably be between 15 and 17 per cent, so the estimates suggest that there will be a reduction in public spending of more than 10 per cent in real terms. Particularly affected will be school transport—where spending is estimated to fall by Ir£500,000 to Ir£16m. Roads maintenance will also be affected, as will health and other social services.

The spending cuts are regarded as necessary to reduce a current account deficit of Ir£522m. That is approximately half a public sector borrowing requirement of about Ir£1bn—equivalent to 13 per cent of gross national product.

The cuts will not be sufficient to reduce the borrowing requirement to a manageable proportion of about 10 to 11 per cent. It is thought that Mr. Michael O'Kennedy, the Finance Minister, will also announce stiff rises in indirect taxes in his budget.

Spanish holding company expects £339m losses

BY ROBERT GRAHAM IN MADRID

THE SPANISH state holding company INI expects losses in 1979 to total Ptas 52bn (£339m) 9 per cent down on the previous year. This figure, however, excludes losses of Ptas 10bn recorded by SEAT, the motor manufacturer, which are being accounted for by its main shareholder, Fiat of Italy.

These provisional loss-figures were revealed this week by Sr. Jose Miguel de la Rica, the INI president, to visiting Spanish Members of Parliament.

Even if the SEAT losses were included, INI officials say the loss estimates are still down on 1978 in real terms.

Over 90 per cent of these losses, recorded by the 73 companies directly controlled by INI, derive from concerns in sectors badly affected by the recession.

These are steel, shipbuilding, and the motor industry. The main loss-maker in the INI group continues to be the mining company Hunosa, whose 1979 losses are equivalent to 36 per cent of group losses.

Other troubled INI companies include the integrated steelmaker Altos Hornos de Mediterraneo, Bazan, the naval shipbuilder, and Enasa, the industrial vehicle producer.

Also, for the first time, INI has been obliged to cover substantial losses in the uranium company Enusa, after the private partners withdrew from the company and the need arose to finance some three and a-half years' stocks of enriched uranium and uranium concentrate—accumulated as a result of delays in Spain's nuclear programme.

Sr. de la Rica told the MPs he hoped group losses would be cut this year to Ptas 39bn. For the first time, INI has issued strict budgeting instructions to its companies' boards.

Sr. de la Rica also underlined to the MPs that the principal loss-makers in the group were those companies which it had been obliged to absorb from the private sector by previous governments.

Portugal negotiating aid package from Brussels

BY JIMMY BURNS IN LISBON

PORTUGAL'S underdeveloped economy is expected to receive a boost from an aid package now being negotiated with the EEC. According to EEC officials in Lisbon the financial and technical help requested by the Portuguese last year will be *considered in detail* when Sr Lorenzo Natali, the vice-president of the EEC commission, arives at the end of this month.

Although the sum involved will have to be agreed, the scope of the package will be similar to the help Portugal has been receiving since 1975, just before it applied formally to become a member of the EEC.

Portugal has received a total of 350m units of account in two major instalments from the European Investment Bank: the first was in the form of emergency aid, the second was part of the financial protocol signed with the EEC in 1976. The bulk of credits was intended for the development of Portugal's infrastructure, industry and agriculture.

The need for more aid has been recognised by both sides because of Portugal's impending EEC membership. Brussels has always stressed that the main problem arising from Portugal's accession to the Community in 1983 stems from *disparities in economic development.*

Portuguese per capita income is well below the European average and current production is equivalent to only 1 per cent of the Nine's GDP.

EEC officials have expressed concern that, because of the political instability and economis mismanagement prevailing in Portugal since the 1974 revolution, a large part of financial aid to Portugal has not been properly absorbed.

Nevertheless aid negotiations are taking place against the background of a major initiative by the new centre-right Government aimed at accelerating Portugal's negotiations with the EEC.

German leaders confer on improved access to Berlin

BY LESLIE COLITT IN BERLIN

HERR HELMUT SCHMIDT, the West German Chancellor, and Herr Erich Honecker, East Germany's President and Communist Party leader, have conferred by telephone about projects to improve West Berlin's road, rail and canal links to West Germany which cross East German territory.

Tensions between Washington and Moscow recently forced the two German leaders to postpone a meeting due to have taken place in East Germany this month.

After the telephone call between Bonn and East Berlin, Herr Schmidt's permanent representative in the East German capital, Herr Guenter Gaus, met President Honecker to discuss the projects in detail.

East Germany favours a massive package of improvements which would also aid East Germany's neglected infrastructure and cost West Germany as much as DM 3bn. It would include laying new track and electrifying the five East German railway lines connecting West Berlin with West Germany, as well as the West Germans building a large brown coal power station near Leipzig which would supply West Berlin and West Germany.

Herr Erich Honecker

However, Chancellor Schmidt at a recent Cabinet meeting decided against the East German proposal, and in favour of less spectacular intra-German projects which would cost the West German taxpayer considerably less. He suggested the other projects could be negotiated later.

The West German Government is worried about the impact the worsening relationship between the superpowers might have on the dialogue between Bonn and East Berlin. A graduated series of improvements would have the advantage of keeping up East Germany's interest in negotiations with West Germany.

The West Germans are prepared to sign an agreement with East Germany, perhaps as early as next month, on laying railway track between West Berlin and Marienborn, building an autobahn link on the West Berlin access road to Wartha, and dredging canals to West Berlin to take larger barges. These would cost West Germany an estimated DM 500m in the next few years.

EEC Commission backs down on lamb

BY OUR BRUSSELS STAFF

THE EEC Commission yesterday backed down on assurances given by Mr. Finn Olav Gundelach, the Farm Commissioner, in Strasburg last week that it would seek an *interim injunction* from the European Court of Justice against illegal French curbs on British lamb imports.

The *13 Commissioners* decided at their weekly meeting to postpone any decision. This is bound to bring an angry response from Britain whose Foreign Secretary, Lord Carrington, pressed the Commission strongly last week for urgent action to counter France's continued defiance of the court.

His request was reinforced earlier this week by Mr. Peter Walker, the UK Agriculture Minister, who said the Commission would be failing in its duty as *guardian of the* Treaty of Rome if it did not seek an injunction at the earliest opportunity.

Commission officials, who appeared to have some difficulty in justifying the Commission's inaction, said the Commissioners agreed unanimously that the British case was justified.

However, they also appeared to have little doubt that France would ignore any injunction just as it has consistently ignored the court's *ruling of last September.* This, they fear, would only underline further the impotence of Community institutions in the face of a rebellious government.

Butter subsidy under new name

BY MARGARET VAN HATTEM IN STRASBOURG

EEC TRADERS will no longer receive large export rebates on butter sold to the Soviet Union under a *new system* approved by the European Community's Commission in Brussels yesterday.

However, the new system is sufficiently flexible to allow traders to collect equally large subsidies under another name. The main effect of the change will be to restrict Comecon countries to buying butter which has been in storage for up to two years.

The Commission suspended sales of butter to Comecon last month, following indications that the East was buying heavily in the wake of the Afghanistan crisis and the U.S. grain embargo. Yesterday's decision does not imply that the Community is resuming sales.

Before the suspension exporters automatically received export rebates, bridging the gap between the world price (currently around 104 ECU per 100 kg) and the EEC intervention price (285 ECU per 100 kg).

Adoption of the scheme stems from a suggestion put forward by Mr. Peter Walker, the British Minister of Agriculture, late last year. But some Commission officials say it is largely cosmetic.

U.S. 'will boycott Olympics'

By Roger Boyes in Bonn

MR. CYRUS VANCE, the U.S. Secretary of State, said yesterday the U.S. would go ahead with a boycott of the Moscow Olympic Games because Soviet troops had not withdrawn from Afghanistan by the February 20 deadline set by the White House.

Speaking in Bonn after a day of talks with East German leaders, Mr. Vance also gave Washington's approval to the EEC initiative aimed at establishing a neutral Afghanistan after a Soviet withdrawal. The proposal was put forward on Tuesday

Both the Olympics boycott and the EEC "neutrality" plan figure in Mr. Vance's talks with Herr Hans-Dietrich Genscher, the West German Foreign Minister, which dealt with the overall Western response to the Russian invasion. Herr Genscher affirmed yesterday that Bonn's contribution to Western counter-measures focused on four main points: maintaining the military balance on NATO's central front; financial and political support to Turkey on NATO's southern flank, increasing contacts with the Gulf states, and more aid to Pakistan.

Turkey adjusts the lira

BY METIN MUNIR IN ISTANBUL

IN A MOVE which indicates that the Turkish Government will follow a realistic foreign exchange policy, the Central Bank yesterday adjusted the value of the Turkish lira against two currencies.

The value of the pound was increased from 159.50 lira to 160.2, and the Norwegian krone from 14.24 to 14.30.

The changes are miniscule, but furnish the first proof of the fact that Mr. Suleyman Demirel's Government will not allow the Turkish lira to be overvalued.

Past Governments, fearful of the public's sharp reaction to "devaluations," had avoided making the cross-rate adjustments required by international currency fluctuations.

This had detrimental results on exports and the inflow of remittances from expatriate workers, and was disapproved of by the International Monetary Fund.

The Central Bank said cross rates would henceforth be adjusted "automatically."

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French approve start-up of two N-plants

BY TERRY DODSWORTH IN PARIS

THE FRENCH Government has finally approved the start-up of two nuclear power stations which have been plagued by controversy since hairline cracks were discovered in some of their key metal components.

France's ambitious nuclear power programme, which aims to produce 50 per cent of France's electricity by 1985, can now start moving forward again.

The two stations, at Tricastin in the south-east, and at Gravelines, near Dunkirk in the north, would have been started up about three months ago if the commissioning programme had not been frozen. They were loaded with a fuel in late October and early November, but have since remained idle while further research and safety tests were carried out on the cracks.

Evidence of the fissures was first made public last autumn, when union members working on the sites exposed the problems because of their potential danger to the plants employees.

The unions, morally supported by a parliamentary watchdog committee which attacked the authorities for having concealed the evidence, then held up the fuelling programme in a series of strikes.

In response to these pressures, the Industry Ministry stepped in to freeze the commissioning of the plants, and set in motion a plan to develop automatic detection and repair machinery which will be able to operate inside radio-active areas. The authorities are now apparently confident that this *machinery will work in practice.*

Ministry safety experts have insisted all along that the fissures posed no immediate danger, although they are in metal in highly radio-active areas. Opinion is divided, however, on whether the fissures, which are now superficial, will develop into larger and more dangerous cracks in the thick metal plates over a period of years.

Danes 'will not devalue' to counter payments gap

BY HILARY BARNES IN COPANHAGEN

DENMARK is not planning "panic measures" to counter the large current balance-of-payments deficit it expects this year, nor is it considering more unilateral devaluations of the krone, Mr. Svend Jakobsen, the Finance Minister, told the *Financial Times.*

The Government tentatively estimates that the balance-of-payments deficit in 1980 will be about DKr15bn (£1.2bn), the same as in 1979, when it was about 4 per cent of gross domestic product.

With private consumption expected by the Government to fall by 4 to 5 per cent in real terms this year, Mr. Jakobsen said there was not much room for new squeeze measures to improve the external deficit.

The Government plans to introduce measures in April, but these will be aimed at cutting the growth of public spending, especially local government spending, and the main impact will come only at the end of this year and in 1981. However, the Minister did not rule out adjustments of indirect taxes. The measures will be designed to supplement steps taken in December to curb *wage inflation.*

The 5 per cent unilateral devaluation of the krone against the other European Monetary System (EMS) currencies on November 30 will not be followed by further devalutions, he said. A large devaluation is right outside the Government's options, and small devaluations can work only if they are accompanied by incomes policy measures.

● The Central Bank has concluded agreements with commercial and savings banks, insurance companies and pension funds which will tightly restrict lending for private consumption.

Norwegian growth exceeds estimates

By Fay Gjester in Oslo

NORWAY'S ECONOMIC growth last year exceeded Finance Ministry estimates—even the most recent estimate, published in December, 1979, thanks mainly to North Sea oil and gas.

Private consumption, on the other hand, grew more slowly than the Ministry had expected.

This is revealed in the economic survey for 1979, published here by the official Central Bureau of Statistics.

The survey puts Norway's gross national product (GNP) last year at NKr 233bn (£20.8bn) and GNP growth from 1978 to 1979 as 3.7 per cent. The largest single contribution to growth was made by oil and gas exports, but exports of services — mainly shipping — also increased.

Private domestic consumption rose by only 0.5 per cent, compared with the Finance Ministry's December forecast of 1 per cent.

Public consumption grew by only 2.4 per cent, compared with the Ministry's 2.7 per cent estimate, and investment fell by 9 per cent, 1.2 per cent more than forecast.

Of the NKr 233bn GNP, only NKr 114.9bn went to private consumption. This was less than 50 per cent for the first time in Norway's history. Public consumption accounted for NKr 46.1bn while NKr 63.8bn went to investment.

The balance of goods and services showed a surplus in 1979, for the first year since 1972. Exports rose to NKr 104.4bn, including oil and gas worth NKr 21.6bn, while imports were worth NKr 98.4bn.

The survey points out that, although Norwegian-made goods became more price-competitive in 1978 and 1979, as a result of price and income regulations, Norwegian industry has so far made little headway in regaining the share of the domestic market it lost to foreign suppliers in 1974-77.

Some export industries regained market shares, but mainly as a result of foreign customers buying for stock during the short-lived economic upswing in this period.

Rupert Cornwell in Rome examines the reversal in Italy's hopes for continued growth

High-flying economy starts falling to earth

Terry Kirk

Sig Filippo Maria Pandolfi, left, the Treasury Minister, faces an ever-deepening economic division between the larger companies, private and public, and the myriad small and medium-sized companies on which Italy's manifest prosperity is largely built. The former are hamstrung by soaring costs, the latter are as competitive as anything comparable in Western Europe.

ITALY'S spell of defying the laws of economic gravity is rapidly coming to an end. The county is once again narrowly ahead of Britain in the EEC inflation league, the trade balance is worsening sharply, and its industrialists—at least those in the big companies—complain daily about a growing inability to compete and declining productivity. Dark mutterings are to be heard about the possibility of a new lira devaluation.

For Italy, the world's fourth largest importer of oil, the trend is in stark contrast to last year, which in many respects produced the best economic vintage since the far-off days of the "hoom"—that first economic miracle in the late 1950s and early 1960s which established Italy's place as a major industrial power.

Despite the virtual doubling of the oil price by OPEC, despite protracted strikes in the key metal and engineering sector over the negotiation of a new three-year national labour contract, in 1979 the country managed for once to combine rapid growth with a solid balance of payments. The economy expanded last year by almost 5 per cent, the best performance by any Community country. Exports grew by about 9 per cent in volume and Italy's share of world trade rose to 7.2 per cent.

Top of the EMS

At the same time the lira, despite a wobble caused by the ENI-Saudi Arabia oil "scandal," remained at or near the top of the European Monetary System. The monetary balance of payments showed a surplus of L1,672bn ($2bn), while the current account was the healthiest in the EEC with a surplus of over $5bn.

It was beginning to look as though the country might have found the elusive secret of living tolerably if not contentedly with 20 per cent inflation.

In fact, like Newton's apple, the Italian economy is coming surely down to earth.

As Bank of Italy officials point out, the trouble is that an inflation rate does not stand still —it either tends to keep going up, if nothing is done, or, if policy is changed and expectations reversed, it will go down. Even so many economists here predict with surprising confidence that a currency or balance of payments crisis is unlikely, at least until the end of the year.

The problem, as one prominent expert puts it, is not really 1980, but the 1980s. In other words, the immediate short-term prospects are not that alarming, but the profound structural weaknesses of the economy must be tackled if really serious difficulties are not to arise later.

In 1980 Italy will not escape the slow-down already taking a grip on the major industrial economies. The present indications are that growth will not exceed 2 per cent, and more likely be nearer 1 per cent. But even that is no disaster, given that the OECD is now predicting zero growth for the West as a whole this year.

What actually happens depends largely on how long the current boom will continue in output, which has already defied several predictions since last summer of its imminent demise. The last quarter of 1979 saw production running at its best level of the year, and the signs are that January saw more of the same. The Montedison chemical group, for example, has reported record January sales, up 12 per cent from the October-December 1979 average, itself a record.

Thereafter, a slowdown seems certain. Confindustria, the Italian employers' association, reckons that industrial production will taper off to a growth of 2.9 per cent in the first quarter, and 2.3 per cent in the second. The growth of exports this year is put at only about 4 per cent, as stagnation grips major markets abroad.

Trade is still expected to be sufficiently in balance to ward off trouble for the lira, despite a rise in the country's anticipated oil import bill from around $10bn in 1979 to $15bn, or even $17bn in 1980, and the soaring cost of other raw materials.

By April, moreover, the tourist season will be moving into gear, almost automatically ensuring safety in the balance of payments at least until the autumn. For the year as a whole the current account is forecast to remain in rough balance.

But this not dispiriting outlook masks a deep and apparently ever-deepening economic division which lies at the heart of the Italian paradox and contains the seeds of the trouble predicted for later in the decade. This is the gap between the larger companies, private and public, and the teeming myriad of small- and medium-sized concerns of which Italy's manifest prosperity is largely built.

Astronomical debts

On the one hand there is Fiat, afflicted by low productivity and diminishing competitiveness, and state industries like IRI, saddled by astronomical debts and losses. On the other there are the smaller engineering companies, the textile and clothing trade, the shoe manufacturers and even the thousands of tiny jewellery companies who in 1979 exported L3,000bn ($3.7bn) worth of produce.

The first are hamstrung by rigid labour laws, trade union refusal to countenance greater flexibility and soaring costs. The second largely escape the meshes of the unions and, as a result of a very high rate of self-financing, even the grip of monetary and credit policy. They are as competitive, if not more so, as anything comparable in Western Europe.

In this context the present arguments over devaluation become easy to understand. For the big companies a move to restore export margins and competitiveness would not come amiss. For smaller ones such a step would be utterly unnecessary.

The contrast has even moved Sig. Filippo Maria Pandolfi, the Treasury Minister, to muse aloud about two liras: the "Fiat-lira" and the "Brambilla-lira," named after the mythical northern small entrepreneur, Sciur (Signor) Brambilla in Milanese dialect, who is indifferent to politics and unions and only concerned with making money.

If logic dictates that sooner or later an inflation rate of double the Community average and four times that of West Germany must force a downward adjustment of the lira, the mood of the Bank of Italy is firmly against it. Nor are the means of defending the parity lacking. Convertible currency reserves exceed $10bn, while Italy's gold stock of some 2,500 tonnes is the fourth largest of any country.

More fundamentally, the Central Bank believes that devaluation would be the soft option, relieving yet again the politicians from the responsibility of painful measures to put the economy and industry on a sounder structural footing.

The failings are well known: a colossal public sector deficit, set to rise again after a brief decline to 13 per cent of GNP in 1979. The fleeting improvement was due to political crises *which impeded the passage of* spending laws through Parliament, and the inexorable working of "fiscal drag" as inflation hauled taxpayers into higher brackets.

This deficit, and the huge waste of resources involved, is perhaps the biggest single contributor to Italian inflation. Then comes the "scala mobile" mechanism of automatic wage indexation, locking inflation into the system, and the rigidity of labour laws.

In many respects these problems are part of the tacit price paid by an increasingly faltering Christian Democrat party to preserve some kind of political equilibrium in Italy. Change will require a new settlement between the major parties, whose prospects today seem as dim as ever. In the meantime, as always, it will doubtless be left to the Bank of Italy and monetary policy to hold the line as best it can.

Leaving mainstream

Some leading economists believe that an imperceptible *movement of Italy towards a* "Third World" economy is now in progress—one built on smaller companies and modest technology, where research and development spending is low, and one drifting away, in an absence of coherent central planning, from the mainstream of the advanced industrial nations. Such a view may be unduly pessimistic. But there is growing evidence to support it.

Since the first 1973 oil crisis the share of total resources going to consumption in Italy has stayed remarkably constant at 65 per cent, and that of exports has risen to 20 per cent from 15. But the share going to investment has dropped from 20 to 15 *per cent. In other* words, while the country has coped remarkably successfully with the challenge of a soaring energy import bill, it has failed to make the necessary sacrifice of shifting resources from consumption to investment.

With Italy nothing is ever sure. Who, for example, would have predicted in the depths of the 1976 payments crisis that within two years the country would have its biggest balance of payments surplus ever—and a year after that the fastest growth in the West? But as Newton and markets prove, what goes up usually comes down.

Condemnation of Moscow sought from non-aligned

BY DAVID HOUSEGO

YUGOSLAVIA'S leadership has revived President Tito's attempts to secure a strong condemnation of Russia's invasion of Afghanistan from members of the non-aligned movement.

Diplomats in London yesterday disclosed that Mr. Josip Vhrovec, the Yugoslav Foreign Minister, will be travelling to Bangladesh on Saturday before proceeding to India in an effort to convene a meeting of the 35-member bureau of the non-aligned group. Mr. Vhrovec abandoned a similar mission to New Delhi when President Tito suffered his relapse.

Bangladeshi role

The significance of Bangladesh is that itinitiated officially last month's Islamic conference in Pakistan which condemned the Russian action and called for the immediate withdrawal of Soviet troops.

As a result of the meeting the Yugoslav leadership contacted Islamic members of the non-aligned group with a view to securing their support for a similar declaration by the non-aligned.

Any such step will be strongly opposed by Cuba, which is currently chairman of the non-aligned movement, and by other pro-Russian sympathisers among member states. The Yugoslav initiative, launched to help forestall any similar Russian intervention in Yugoslavia, thus risks causing a sharp split among the non-aligned.

Yugoslavia is particularly anxious for India's support because India, with Yugoslavia, was one of the co-founders of the non-aligned movement nearly 20 years ago and remains one of its key members.

Since India's tacit approval for the Russian action, delivered at the United Nations as Mrs. Gandhi took power in January, there has been a shift in India's attitude towards condemning the Soviet Union and demanding a Russian withdrawal. This emerged clearly during the visit last week to New Delhi of Mr. Andrei Gromyko, the Soviet Foreign Minister.

The dilemma for Mrs. Gandhi will be whether she will want to carry her displeasure with the Soviet Union to the point of supporting an anti-Russian resolution among the non-aligned.

One temptation for her will be that after President Tito's death, India under her premiership, would be an obvious candidate for the leadership of the non-aligned. Against this, India signed a treaty of friendship with Russia in 1971 which it still regards as crucial to its security.

Isolating Cube

Short of any joint statement by the non-aligned group, Yugoslavia is likely to be canvassing the idea of one member issuing a condemnation of the Soviet invasion on behalf of other states of similar view. This would isolate states like Cuba and Vietnam.

Yugoslavia would be unwilling to make such a statement itself because it might be considered too provocative by the Russians. But India or Bangladesh might be alternative sponsors.

Richard C. Hanson finds confidence and optimism in Taipei and the other China's economic prospects

Taiwan secures stability as well as growth

EDWIN REISCHAUER, the Harvard scholar and former diplomat, once claimed that his predictions on what would happen to Japan in the first three decades after the Second World War were always correct because he was always an optimist. The same approach would seem to apply in forecasting the future of Taiwan.

Despite plenty of worries about what might happen after the withdrawal of U.S. recognition from the Chinese Nationalist Government in December 1978 there are few pessimists in Taipei these days and plenty of confident people ready to claim that their faith in the island's ability to survive and prosper was justified.

Last year did not begin very comfortably for Taiwan. Not only had the U.S. abruptly announced its long-expected decision to recognise Peking as the true Government of China. The island also faced higher oil prices, uncertain supplies and rising protectionism in major export markets. With 50 per cent of Taiwan's Gross National Product dependent on exports, this is of critical importance.

To ease the pain the U.S. Congress hastily passed a bill assuring Taiwan that America was not abandoning the island completely. This in turn bolstered the confidence of both the 17m Taiwanese and the foreigners (including overseas Chinese) who, in increasing numbers last year continued to invest in Taiwan.

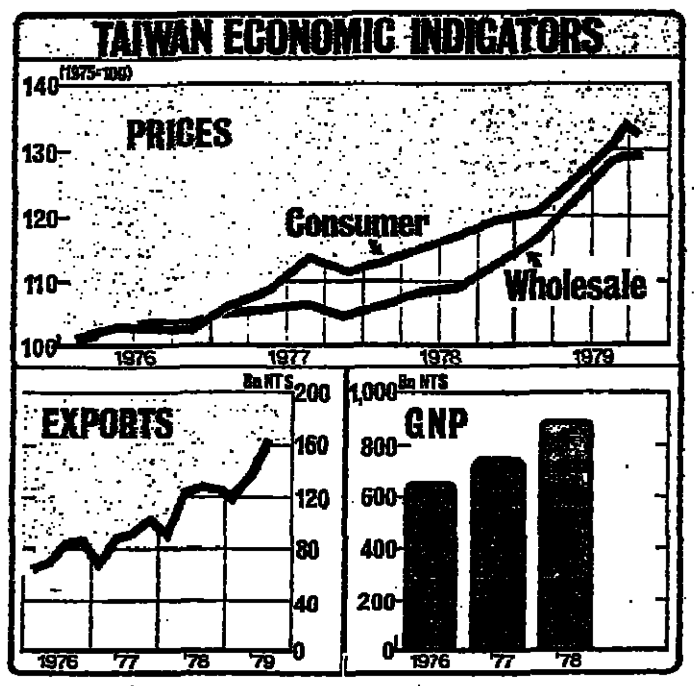
After clarification of Taiwan's new non-diplomatic status, foreign investment approved by the authorities shot up 54.4 per cent over 1978 (the previous record) to $328.9m. Foreign investment this year will probably be supplemented by new large-scale joint venture projects still under negotiation. These include a truck plant venture involving General Motors and a heavy electric turbine plant with General Electric of the U.S.

The Government and the private sector continued throughout 1979 to tap the international capital markets for long-term loans amounting to about $650m, borrowing on very favourable terms. The number of foreign banks also increased, prompting for the first time serious interest from once-shy European bankers wanting to set up shop in Taipei.

By the end of 1980, there should be about five European banks (21 foreign banks in all), starting with Grindlays of the U.K. The addition of these banks, who apparently don't feel Taiwanese ties will hurt business with China, will strengthen the island's somewhat ambivalent but growing relations with Europe.

Another important result of the normalisation of ties between the U.S. and Peking was a shift in the attitudes of the mainland and Taiwan Gnvernments toward each other. There has been a noticeable change in tone in Peking's messages to Taiwan. These have sought to lure Taipei back into the fold by assuring it economic independence and its own army and by guaranteeing the status of foreign investment.

Peking's statements are officially disbelieved in Taiwan, even if they have been comforting to foreign investors. But the Taipei Government has still turned a blind eye to an apparent surge in unofficial exports to China through third parties. The Government has gone so far as to say it can do nothing about goods from Taiwan once they leave its shores, even if they do end up in Communist hands. Meanwhile Taipei sticks to its claim to be the Government of all China, and Peking openly acknowledges the progress being made by the people of its Taiwanese "province."



Diplomatic and political considerations aside, the key to Taiwan's success and continued separate existence from the mainland is its economy.

Despite the rapid increases in oil prices last year—Taiwan imports about 75 per cent of its energy needs — and in contrast with economic troubles erupting elsewhere in the region, Taiwan's GNP grew by about 8 per cent in real terms last year. This was below the record 12.8 per cent growth enjoyed in 1978, but was just about the highest growth rate in Asia.

Consumer inflation was held down to the low 'teens according to Government estimates, and these are considered only mildly optimistic by private bankers. Unemployment is nearly non-existent at around 1.3 per cent, and in fact labour shortages in some fast-growing industries like electronics are a bigger problem.

The lot of the Taiwanese themselves also improved substantially. The island's per capita income exceeded $1,700 in 1979 (up from $1,340 in 1978) and is expected to top $2,000 this year.

The continued health of the economy this year depends on maintaining exports, which frew by a spectacular 27 per cent in 1979, and on holding down inflation, which would accelerate as a result of higher import prices and rising wages.

Characteristically, the Government is placing heavier stress on inflation rather than exports. Its fears date back to the Chinese Civil War when the Nationalist Government in Peking allowed prices to get hopelessly out of control and paid for its mistake by losing the support of the Chinese middle classes.

The main prong of the Government's anti-inflation policy in recent months has been strict control of the money supply—so strict that the annual growth rate has slowed from about 40 per cent in January 1979 to around 6 or 7 per cent today. A moderate liberalisation of imports of manufactured goods has also helped to restrain the prices of locally-produced goods. The success of these policies can be measured by the fact that nearly all the inflation that has occurred to date has been imported, rather than domestically produced.

Economic growth this year is thought likely to dip to around 4-6 per cent, well below the Government's target which calls for about 8 per cent, last year's level. But this is certainly a more vigorous pace than can be expected from South Korea, the country whose economy most closely resembles that of Taiwan.

The similiarities of the two economies, in fact, present Taiwanese economic planners with one of the most difficult problems to be faced this year. In January, faced with an erosion of its export competiveness from higher wages and soaring inflation, South Korea decided to devalue the Korean Won by 16.55 per cent.

There was some fear—and still is, judging from forward pressure on the new Taiwan dollar in the limited local foreign exchange market—that Taiwan might have to follow the Koreans. Businessmen recall vividly that in 1975, when Taiwan did not devalue after South Korea, the country experienced the only setback in exports of the decade.

This time, however, the Government apparently feels that conditions in South Korea are so much worse that any competitive advantage gained from the devaluation will be lost in the next three or four months, before the peak season for buyers from overseas. Most bankers agree.

If the exports do slow down the Government is likely to respond cautiously. Stability rather than growth remains the watchword, despite the fact that Taiwan seems remarkably good at getting its share of both.

S. Africa's Rhodesia election fears grow

By Quentin Peel in Johannesburg

RENEWED THREATS of South African military intervention in Rhodesia, and a warning of possible action against Mozambique, underline the South African Government's extreme concern about the possible outcome of next week's Rhodesian elections.

South Africa's official position is unchanged, but a series of reports attributed to military officials has appeared in the South African Press, restating the Government's threat to intervene in Rhodesia "if law and order break down."

Already, South Africa has reacted toughly to renewed activity of nationalist guerrillas. Areas of northern Natal have been put under military control, and a strongly worded warning of possible retaliation against Mozambique has been issued.

Insurgent bases

South Africa is concerned that the advent of a Government headed by Mr. Robert Mugabe in Rhodesia would be a major step towards ringing the Republic with Marxist-inclined countries prepared to offer bases to insurgents.

Observers here believe that the warning to Mozambique must be seen as an attempt to head off such an outcome.

The warning puts President Machel of Mozambique in a quandary. His country is dependent on South Africa for technical assistance, railways and harbours, imports including maize supplies, and foreign exchange. South Africa also remits the wages of some 39,000 Mozambquan mineworkers employed in South Africa. Mozambique can ill-afford to sacrifice that income.

Clearly, the South African statements are primarily warnings at this stage, but Mr. P. W. Botha, the Prime Minister, is more likely to act on them than was his predecessor, Mr. John Vorster.

Cairo Socialists step up anti-Israel moves

BY ROGER MATTHEWS IN CAIRO

PALESTINIAN flags were again raised in Cairo yesterday as opposition parties developed their campaign against the opening of an Israeli Embassy in the Egyptian capital.

Mr. Ibrahim Shukri, leader of the Socialist Labour Party, has called for 1m Palestinian flags to fly next Tuesday, when the new Israeli Ambassador is due to present his credentials

He also wants people to boycott the Israelis culturally and economically, to express their disgust at the continued occupation of Arab land and the Jewish settlement policy

The Socialists are demanding that President Sadat should slow down the normalising of relations with Israel.

The barely tolerated Unionist Progressive Party struck a more strident note yesterday when it strung up banners on its headquarters calling for a boycott of the people "who killed our sons."

In the past, the Socialists have supported the peace treaty, but argued against diplomatic relations with Israel until the Israelis withdraw from all Arab territory.

Other less-politicised sections of the community also feel unease at the pace at which Mr. Sadat is moving, when Israel seems more than ever determined not to relax its grip on the West Bank and Gaza.

Iran throws doubt on status of commission

BY SIMON HENDERSON IN TEHRAN

THE FATE of the United Nations-sponsored commission of inquiry into the regime of the Shah was in doubt yesterday and the commission members did not fly to Tehran as expected. In New York, Dr. Kurt Waldheim, the United Nations secretary-general, said he was seeking further clarification from Iran, which has now officially accepted the commission.

The cause of the setback appears to have been the telegram sent by President Abol Hassan Bani-Sadr of Iran to accept the commission, he once again repeated that not only the alleged crimes of the Shah should be investigated but also past interference by U.S. policy in his country. In addition, Iranian leaders have denied that there is a deal binding the release of the hostages to the establishment and working of the commission.

It appears that hopes expressed last week that the 50 U.S. hostages in Tehran would be released in a matter of days, have evaporated. There is also a danger that Dr. Waldheim's commission could fail because of its loss of momentum.

A special aircraft was waiting for the commission at Geneva airport yesterday, but plans for its flight to Tehran were cancelled at the last minute. The commission members who were due to assemble in Geneva, come from France, Algeria, Syria, Sri Lanka and Venezuela.

Kuwait to cut oil output

KUWAIT — Kuwait will cut its daily crude oil output by a quarter, or 500,000 barrels, from April 1, Mr. Ali Khalifa al-Sabah, the Oil Minister, said yesterday.

Speaking before his departure for a meeting in London of the Organisation of Petroleum Exporting Countries, the Minister said the oil glut, which had caused prices on the spot market to drop, would increase because of oil conservation measures in the West and increased oil production in non-OPEC nations.

Reuter

U.S. to improve contacts with allies on arms

BY DAVID BUCHAN IN WASHINGTON

THE CARTER Administration, which is seeking a 13 per cent real increase for 1980-81 in military research and development, intends to improve its weapons co-operation with NATO allies while constricting the flow of high technology to the Soviet Union, a top Defence Department official told the Senate Government Operations Committee yesterday.

Mr. William Perry, Defence Under-Secretary for Research and Engineering, was facing a critical Congressional probe into military use by the Soviet Union of technology bought from the U.S. and the West.

The Soviet Union had outspent the U.S. by $70bn on military research in the 1970s, Mr. Perry said, but the U.S. was still some five years ahead in four crucial defence areas: computers, micro-electronics, advanced composite materials, and jet engines. This was because of the commercial demand for and application of these goods, which had no counterpart in the Soviet Union.

But, in the wake of the Afghanistan crisis and the dramatic deterioration in U.S.-Soviet relations, the Administration was taking steps, which Mr. Perry called "overdue," to ensure the U.S. stayed ahead in key defence technology. Mr. Perry said the U.S. was pressing for a tightening of export guidelines by Cocom, the Paris-based organisation of NATO countries and Japan that restricts sensitive sales to Communist countries.

In particular the U.S. does not want any new relaxation in the guidelines for computer sales, and wants to put new restrictions on the transfer of "intellectual property" such as computer software and technical data packages.

Trade with the Communist bloc is of relatively greater importance to West European countries than to the U.S., but the U.S. defence official claimed that curtailing some of this trade would not overly hurt Western companies, because the Soviets conducted a "cream-skimming" operation — buying relatively few products and then copying the techniques to market their own products.

Cocom guidelines are sometimes bypassed altogether but there is a procedure by which a country can ask for an "exception" to the rules and this has to be approved unanimously. A former Commerce Department official told Senator Jackson's committee yesterday that the U.S. had recently led in seeking exceptions. The U.S. had sought and won over 60 per cent of the total export "exceptions" that Cocom granted in 1978, according to Mr. Lawrence Brady, Deputy Director of the Office of Export Control in the Commerce Department until last month.

Congress urged to lift interest ceiling

BY STEWART FLEMING IN NEW YORK

THE U.S. Comptroller of the Currency, Mr. John Heimann, urged yesterday that Congress take prompt action to phase out Regulation Q, a Federal Reserve Board rule which places limits on the rate of interest banks and savings institutions can pay on certain types of deposits.

Mr. Heimann said that earlier he had supported a gradual phasing out of the regulation — Congress has been examining legislation which might stretch the process over 10 years—but now, he said, developments over the past year had increased the need for prompt actions on reform of financial institutions.

The rapid rise in inflation in the U.S., the accompanying increase in interest rates and the fast growth of new forms of deposit and deposit-taking institution—money market funds, for example, whose assets have expanded five times to over $58bn in the past year—had begun to distort seriously the structure of the financial markets.

Regulation Q, for example, limits to between 5¼ per cent and 5¾ per cent the rate banks and savings institutions can pay on savings of less than $100,000. As a result, small savers have been shifting their funds out of banks into other financial institutions or into new forms of deposit accounts which offer special high interest terms. These shifts were changing the competitive situation between different types of financial institution, Mr. Heimann said. The savings banks in particular, and therefore the housing market, were suffering.

But the U.S. League of Savings Associations, whose members have assets of $50bn, oppose a rapid change in the rules because of the restrictions which have prevented them from charging higher rates of interest to borrowers.

Ridley to visit Latin America

By Hugh O'Shaughnessy

MR. NICHOLAS RIDLEY, Minister of State at the Foreign and Commonwealth Office, will visit several Andean countries shortly. In another move to strengthen British relations with Latin America, attempts are being made to persuade President Jose Lopez Portillo of Mexico to visit Britain this year.

Mr. Ridley is to leave shortly for a familiarisation tour of Venezuela, Colombia, Ecuador, Peru and Bolivia. Oil is expected to be high on the agenda in Venezuela and Ecuador.

Britain and the European Community are both keen on improving relations with the Andean countries.

President Lopez Portillo is to visit France, West Germany and Sweden at the end of May.

Though he has not included Britain on his schedule so far it is hoped that a common Anglo-Mexican interest in world oil problems could eventually bring him to London.

After Monday's election victory by the opposition in St. Kitts-Nevis it is expected there will be early consultation between the new government and the FCO on an independence constitution. Plans tentatively agreed with the government of Mr. Lee Moore which was defeated this week, included a provision for the independence-minded island of Nevis to secede from the state after a referendum

Carter's lead 'widening'

By Our Washington Correspondent

THE LATEST U.S. opinion poll shows that 58 per cent of Democrats prefer President Carter, compared to only 23 per cent who lean towards Senator Edward Kennedy. The latest joint CBS Television/New York Times poll, released yesterday, indicated a marked widening of Mr. Carter's lead over his main Democratic rival since the last CBS/New York Times poll in early January, admittedly before Mr. Carter's victory in Iowa, which gave the President only a 10 point margin over Senator Kennedy.

The latest poll's conclusion is that President Carter's stand against the Soviet Union, and his moves to increase defence spending and to introduce registration for possible military service have won him majority support.

Equally surprising is that Senator Kennedy has gained little or nothing from his espousal of petrol rationing and wage and price controls — policies thought to be popular

An even greater change is evident in the Republican race, where yesterday's poll gives Mr. Ronald Reagan only a nine point lead over Mr. George Bush, compared to the 40 point gap that separated the two in early January.

With a week to go before the New Hampshire primary, a statewide poll there, released on Tuesday gives Mr. Bush a narow lead over Mr. Reagan in the state.

Clark to resign next week

BY VICTOR MACKIE IN OTTAWA

MR. JOE CLARK, outgoing Prime Minister of Canada, has told Mr. Pierre Trudeau the Prime Minister-elect that he plans to resign early next week. Mr. Clark will formally submit his resignation to Mr. Edward Schreyer, the Governor-General, next Monday or Tuesday.

Mr. Trudeau is expected to name his new cabinet before the end of February. The new Finance Minister must start immediately to prepare a new budget to be introduced early this spring.

A new budget is essential, as the Government is still operating on the long-outdated Liberal budget presented by Mr. Jean Chretien, the former Liberal Finance Minister, in November 1978.

Nancy Dunne in Washington assesses hopes that alcohol will help curb petrol, use in the U.S.

'Gasohol' slowly catches on

IN RECENT months a new bumper sticker has begun appearing on American cars. It bears a simple message: "Gasohol." But this alternative fuel, a mix of nine parts petrol and one part alcohol, offers motorists no sure deliverance from their woes, for its mass production in the near future is fraught with uncertainty.

The Carter Administration has already seen the difficulties. It had a gasohol programme under study for 18 months before announcing a "major new programme" in early January. But the timing of the announcement — shortly after President Carter's partial grain embargo of the Soviet Union, and shortly before the caucuses in Iowa, the nation's biggest maize-growing state — was clearly political.

The programme also offered only one measure not already under discussion on Capitol Hill —a $3bn provision for new federal loans and loan guarantees to help set up production plants.

The plan calls ofr gasohol production to be quadrupled from the current figure of 800m gallons to 3.2bn by the end of this year, and output of roughly 5bn gallons by the end of 1981.

Officials say gasohol could replace 10 per cent of the nation's unleaded petrol by the end of next year, and that by the mid-to-late 1980s one-third of automotive fuel might be gasohol.

President Carter initially implied that increased production of gasohol would diminish maize surpluses created by the grain embargo. "We will also increase amounts of grain devoted to the alleviation of hunger in the poor countries, and we will have a massive increase of the use of grain for gasohol production here at home," he said in a televised address on January 4, after the Soviet intervention in Afghanistan.

However, when Administration officials detailed the plan a week later, they were unable to promise that gasohol would bring farmers immediate relief from the effects of the embargo. One official admitted that no funds had been set aside specifically to buy maize for gasohol production.

Presidential politics aside, the use of gasohol has been growing. Just two years ago the fuel was sold at only a few retail outlets. It is now being distributed at over 1,000 stations, and some major oil companies are starting pilot gasohol programmes. The fuel has found acceptance among many motorists who say it gets better mileage and engine performance than the unleaded fuel required in most late-model American cars.

Gasohol is a high octane product which can be produced with two types of alcohol, ethanol or methanol. Ethanol, favoured by the agriculture industry, is produced from vegetation, whole grains, food, waste and petroleum. Methanol can be made from wood, sewage, refuse, coal, natural gas, peat, shale or petrol.

While maize would initially be the primary raw material for ethanol production, officials foresee a gradual switch to other crops and even municipal waste as the decade progresses. Researchers say that in two or three years they will produce a commercially viable method for converting cellulose materials—stalks, cobs, paper—into fermentable sugars, which in turn will produce alcohol.

Gasohol production has lagged because, without Government assistance, it is still more expensive, at $1.30 per gallon, than petrol, which has a wholesale price of 85-95 cents for the unleaded variety. However, subsidies and tax incentives proposed by the President, the fact that many states have cut taxes on the brew, and the ever-rising cost of oil, mean that the price gap is being closed.

The Adminstration has proposed a number of measures which, if passed, would provide a subsidy of 50 cents per gallon of alcohol for gasohol producers. These measures include:

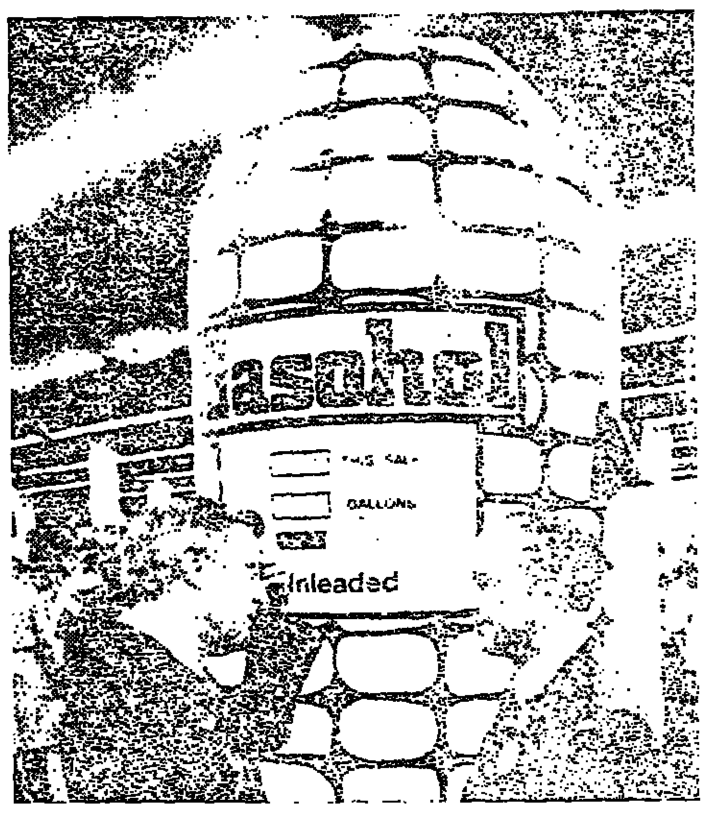
- An extension until the year 2000 of gasohol's exemption from the 4 cents a gallon federal excise tax on petrol.
- Up to $1bn in assistance for construction of plants for the production of Ethanol from plant materials.
- A 40 cents a gallon production tax credit for alcohol producers.
- Increased funds for research and development.

The U.S. is producing about 80m gallons of ethanol a year, 63 per cent of which is manufactured from maize by one major producer, the Archer-Daniels-Midland Corporation of Decatur, Illinois. Doubt exists among many energy experts that the country can meet the President's gasohol goals because of the lack of distilleries. The Congress Office of Technology Assessment points out that construction of each manufacturing plant takes at least two years.

There is some question too, about how much "new energy" gasohol would actually provide. Most of the nation's distilleries consume almost as much energy in oil and natural gas as is produced. To save significant amounts of energy, companies would have to burn coal or use waste heat.

The fact sheet put out by the White House deals with the question this way: "Numerous studies have examined this issue and most conclude that the net balance is small but positive, and exact estimates differ, depending on the feedstock and process employed. It is expected that improvement in technology efficiency and ability to utilise feedstock by-products more effectively will improve the net energy balance."

It is a vague answer, typical of many to the list of questions about gasohol. It is possible that market forces will resolve the problems of large-scale gasohol production. But until that happens, the success of the Administration programme remains in doubt.



Vice President Walter Mondale and Mr. Thurman Gaskill, chairman of the Iowa Corn Promotion Board, before a corn cob-shaped "gasohol" pump.

W. Germans win big Soviet pipe order

By Jonathan Carr in Bonn

WEST GERMAN companies have won another large order for steel piping from the Soviet Union—a further sign of normal trade relations between the two countries in spite of the political tension over Afghanistan.

Mannesmann Handel and Thyssen Stahlunion are to deliver 700,000 tonnes of large diameter piping this year on order of the Soviet foreign trade organisation, Promsyrioimport.

No figure is being given for the value of the business but the new order will guarantee virtually full capacity work for the Muelheim, Ruhr, works of Mannesmann's pipe manufacturing subsidiary for months to come.

This is the latest in a series of West German-Soviet piping deals which have been one of the mainstays of bilateral trade for a decade. The German companies deliver the piping and the Soviet Union pays with natural gas, pumped not only to the Federal Republic but to Austria and France. Interim credit for the deals is arranged through a consortium of German banks.

Last year West Germany received about 16 per cent of its natural gas from the Soviet Union. Fears have been expressed that should the West decide on a broad trade embargo against the Soviet Union, then Moscow might in turn block its natural gas deliveries. But so far all the signs are that business is proceeding as usual.

U.S.-Soviet trade soared in 1979

BY DAVID SATTER IN MOSCOW

U.S.-SOVIET trade, which is expected to fall sharply this year in the wake of President Jimmy Carter's economic sanctions, reached an all time high in 1979 on the strength of massive deliveries of U.S. grain.

Figures released by the U.S. embassy showed that both U.S.-Soviet trade turnover and U.S. exports reached record levels while U.S. non-agricultural goods exports, buoyed by oil equipment sales and increased deliveries of pressure sensitive tape, turned in their best performance since 1976.

Total trade amounted to \$4.48bn (£2.16bn), a 81 per cent increase over the 1978 total of \$2.79bn and U.S. exports were up 60 per cent at \$3.6bn from the 1978 level of \$2.25bn.

U.S. agricultural goods shipments, at \$2.85bn compared to \$1.69bn in 1978 were the key to the trade expansion. The U.S. shipped 17.6m tonnes of grain and 1.8m tonnes of soyabeans to the Soviet Union in the 1979 calendar year and there were also sizeable exports of inedible tallow for soap production and hides and skins.

U.S. non-agricultural exports amounted to \$748.7m which is a 33 per cent increase over the 1978 total of \$563m. The only year that was better for this category of exports was 1976 when the total was \$819m.

The prospects for trade in 1980, however, are far from encouraging. The Soviets will be able to import only 2.5m tonnes of grain in the early part of the year and about 6m tonnes thereafter amounting to less than half of this year's grain order.

It is still not known what the provisions of the proposed ban on U.S. high technology exports to the Soviet Union will be but it is assumed that they can only have an adverse effect on the manufactured goods trade.

The most important U.S. non-agricultural export was pressure-sensitive tape for wrapping pipelines. Sales of the tape, which does not require a validated export licence, have not been affected by President Carter's suspension of all valid U.S. export licences. U.S. officials say that exports of the product increased significantly in 1979.

Soviet exports to the U.S. also increased in 1979, largely on the strength of gold sales. Soviet exports to the U.S. totalled \$873m, a 62 per cent rise over the 1978 total of \$540m. Gold sales accounted for \$548m of the 1979 total.

The balance in favour of the U.S. in 1979 was \$2.73bn which was a 60 per cent increase over the U.S. surplus in 1978 of \$1.71bn.

W. German exports to EEC rise by 16%

WIESBADEN—West German exports to EEC countries rose 16 per cent to DM 151.8bn (£38bn) last year, while imports from Common Market countries rose 18 per cent to DM 141.3bn the Federal Statistics Office said.

In a regional breakdown of West Germany's 1979 foreign trade, the office said EEC countries' share of Germany's overall imports and exports stood at 48 per cent. In 1978 the EEC share of overall German exports totalled 46 per cent and of imports, 49 per cent.

The statistics office previously announced the West German foreign trade surplus narrowed sharply last year to DM 22.5bn from the 1978 surplus of DM 41.2bn.

In trade with Opec countries, German imports rose 39 per cent to DM 27.0bn, while exports fell 22 per cent to DM 19.2bn. Imports from other developing countries rose 13 per cent to DM 27.4bn while exports were also up 13 per cent at DM 25.9bn.

Developing countries accounted for just under 19 per cent of German imports (18 per cent) and a good 14 per cent of exports (17 per cent).

In trade with state-trading countries, imports climbed 28 per cent to DM 16.0bn while exports increased 7 per cent to DM 18.8bn.

The U.S. and Canada accounted for an unchanged 8 per cent of German 1979 imports while the export share fell to 7 per cent from 8 per cent in 1978.

German imports from these countries rose 20 per cent to DM 23.4bn last year while exports rose 4 per cent to DM 23.2bn.

Imports from other Western industrialised countries rose 18 per cent to DM 56.8bn while exports to these countries increased 13 per cent to DM 74.7bn. Reuter

*

Co-operation between PENNWALT, Camberley, sister company Sharples Zentrifugentechnik, Duisburg, and German contractors Lurgi has landed an order for six Sharples P6100 Vertical Super D-Canters, worth over DM 5m (£1.25m), for a polyester plant being built in Nanking Province in China.

Fibre, steel disputes affect GATT talks

BY BRIJ KHINDARIA IN GENEVA

THE DISPUTES between the EEC and the U.S. over synthetic fibres and steel are holding up GATT negotiations aimed at revising Article 19. This is the so-called safeguards clause which allows emergency measures to limit imports of particular products when they threaten serious injury to competing domestic producers. It is the key issue which was not resolved during the Tokyo Round negotiations.

Developing countries believe the disputes between Brussels and Washington may well strengthen their hand in the safeguard negotiations. These are scheduled to be completed by the end of June following agreement to continue attempts to restore this outstanding issue.

The EEC has long insisted that import curbs on products from specific countries do not violate GATT's Article 19. This is in spite of the fact that it has usually been interpreted to mean that curbs may be enforced only if they affect all suppliers at the same time—a view which is emphasised by developing countries.

The Community has argued the case on the presumption that such selective safeguard action would never be used against its own exports or those of any other major industrialised trading nation. But it now faces the embarrassment of seeing the U.S. take compensatory action to selectively limit imports of British wool textiles and Italian footwear in response to curbs against U.S. synthetic fibres.

The battle over steel is also being closely watched because it will provide the first test of the effectiveness of the Tokyo Round's most important international code dealing with subsidies, countervailing duties and anti-dumping action.

Officials in Geneva believe that anti-dumping action sought by U.S. Steel, against EEC imports, may have to be brought before a GATT panel for a decision on whether it violates Tokyo Round rules.

Algeria and Holland to renegotiate gas contract

By Francis Ghilès

NEDERLANDSE Gasunie and Sonatrach, the Algerian State oil and gas company, are to renegotiate a contract under which the Netherlands and West Germany contracted to buy 11.25bn cubic metres of liquefied natural gas (LNG) annually from Algeria.

The starting date for deliveries is planned for 1984 and the contrfact will run for 20 years.

Sonatrach is understood to be asking both Gasunie and the West German buyer, Ruhrgas/Saltzitter a much higher price for the LNG.

Algeria, one of the oil pricing "hawks" and a leading Opec exporter of LNG is reported to have told one of its major customers, Gaz de France, that the price of gas supplies will have to rise from about \$3 per million British thermal units (BTU) to \$5-6 per million BTU. Sonatrach wants its exported gas to have pricing parity with Saharan Blend crude oil, which costs \$33 a barrel.

Sonatrach is understood to have called in its main customers last month indicated to them that existing contracts would have to be renegotiated and much higher prices than initially agreed to.

Apart from the companies mentioned, Sonatrach's major customers for LNG in the next 20 years include Distrigaz of Belgium, the State Italian oil company ENI, Enagas of Spain and four U.S. companies—El Paso, Distrigas, Panhandle and Trunkline.

Smaller buyers include British Methane, with which Sonatrach is involved in tough negotiations, Austrian, Greek and Yugoslav clients.

Abu Dhabi, another prominent member of OPEC, increased the price of the LNG it sells to Japan from \$2.36 to \$4.70 per million BTU at the end of last year and, at the end of last week, Canada raised the price of gas exported to the U.S. by pipeline from \$3.45 to \$4.47 per million BTU.

Most gas export contracts include a mechanism that enables prices to move in response to increases in the value of crude oil or oil products, but gas exporters in OPEC have complained that, because of historical pricing policies, natural gas is underpriced in relation to its value as a clean, highly flexible premium fuel.

Sonatrach will be the major outside supplier of LNG to Western Europe until the end of this century. Contracts with European buyers amount to more than 40bn cubic metres a year, most of which include start up dates between 1980 and 1984.

Unions back Nissan as Alfa partner in preference to Fiat

BY RUPERT CORNWELL IN ROME

THE MAIN Italian engineering trade unions appear to be leaning towards the proposed deal between Alfa Romeo and Nissan Motor Co. of Japan in preference to the counter offer made earlier this week by Fiat for a joint venture with Alfa.

Sig. Silvano Veronese, national secretary of the metal workers' union, yesterday described the Fiat proposals as "less substantial" than the Nissan tie up which would involve, he said, a new factory in southern Italy that would create 1,100 new jobs.

This plant would assemble 50,000 to 60,000 small and medium-sized cars using Nissan bodies and Alfasud engines and transmission. Talks between the State-owned Alfa and the Japanese group are at an advanced stage, but nothing has yet been signed.

Other union leaders claimed that Fiat's offer showed "no overall strategy" and that it made no sense to block an Alfa link with Nissan if the latter simply would opt for another joint venture elsewhere in Europe.

A number of Alfa and union officials suspect that Fiat's offer, broadly similar to that of Nissan, is a mere gambit to stall progress in the negotiations with Nissan. However, the situation remains very fluid. Top executives from Alfa and its parent company, Finmeccanica, are currently carrying out a detailed evaluation of the Fiat offer. Representatives of the two I[…]lian companies will meet again when that has been completed.

The whole thorny question will also feature on the agenda of the inter-Ministerial study group recently established to look into the troubles of the car industry. Meanwhile the Communist Party, which has indicated its acceptance of the Alfa-Nissan proposals, is about to hold a special congress in Turin to examine the difficulties of Fiat, including the problems of poor productivity and shop-floor intimidation and violence.

● The Alusuisse group, headed by the Zurich-based Swiss Aluminium, has formed a joint venture with the Indian State-owned consultant, Mekon Metallurgical and Engineering, John Wicks writes from Zurich.

To be known as Indo-Suisse Engineering, the company will collate engineering know-how and experience gained by the two partners in the field of technology transfer, as well as in the carrying out of general-contractor operations, and supply the information particularly to Third-World countries.

Peugeot technology for India Jeeps unit

BY K. K. SHARMA IN BOMBAY

MAHINDRA AND MAHINDRA, India's only Jeep manufacturer, is to sign an agreement with Peugeot of France to obtain technology for a plant to manufacturer modern deisel engines. Indian Government approval for the agreement and the establishment of the new plant has already been obtained.

The plant, involving an investment of Rs 116m (£6.39m) will have an initial capacity of 25,000 diesel engines. These will replace those now being used in the Jeep produced under an agreement with Willys (now American Motors) which has lapsed.

Mahindra and Mahindra's existing plant has a licensed capacity to make 25,000 vehicles and is being used to make both Jeeps and light trucks, but it is considerably underutilised since it produces just 13,500 jeeps and 4,000 light trucks.

The new engines, which are expected to be in production by 1983 will be used by Mahindra and Mahindra for its own vehicles

The plant's capacity is limited to 25,000 because the company is one of the "large industrial houses" covered by the Monopolies and restrictive trade Practices act (MRTP) which limits their growth. Obtaining permission to instol the new plant is itself a major achievement for the company.

South Korea imports show decline

SEOUL — South Korea's Commerce and Industry Ministry said imports for first 16 days of this month totalled \$840.96m (£370m), 2.2 per cent less than for the same period last year.

Exports totalled \$572.63m, a 38.7 per cent increase compared with last year comparing the same period.

The Ministry said the main reason for the decline in imports was the cutbacks by major industries following the January 12 won devaluation from 484 to 580 to the dollar.

● A French economic mission headed by M. F. Giscard d'Estaing, president of French Export-Import Bank will arrive in Seoul on April 20 for talks on trade expansion, especially joint ventures, Foreign Ministry sources said.

The mission will include leaders from the fields of car manufacture, shipbuilding, electronics and establishing joint ventures. teuter

Singapore deal for McDermott

By Georgie Lee in Singapore

SINGAPORE Airlines (SIA) has awarded the subcontract for the design and construction of its clear span hangar—claimed to be the largest clear span column free structure in the world—to the U.S. oil rig fabrication company, McDermott South-East Asia.

The entire S\$120m (£24m) building contract for the hangar at Singapore's new Changi International Airport was recently awarded to a local contractor, Low Keng Huat Construction.

The column-free hanger roof will measure 218 metres by 92 metres and will have two 10-ton cranes and four teleplatforms to service aircraft. The hanger will be able to service three Boeing 747s and two narrow bodied aircraft simultaneously.

COMPANY NOTICES

NICHII CO. LTD.
Notice to EDR Holders

The Chase Manhattan Bank, N.A. as Depositary gives notice that at a meeting of the Board of Directors of Nichii Co. Ltd. held on February 12th, 1980 it was resolved that a free distribution be made to holders of common shares Y.50 each of 1 new share for every 10 common shares held as of record date February 29th, 1980. With effect from February 26th, 1980 the shares will be traded on the Tokyo Stock Exchange ex-capitalisation and also ex the year end cash dividend which is intended to be paid by the Company subject to shareholders' approval and which will also be paid as of record date February 29th, 1980.

Coupon No. 8 to the EDRs will be used for the purpose of claiming the free distribution and Coupon No. 9 will be used for claiming the year end cash dividend, both coupons being deemed to have matured on February 26th, 1980. With effect from that date, both coupons should be detached from any EDR presented for surrender and will not be issued with any new EDR.

EDR holders are further informed that the register of shareholders of the Company will be closed from March 1st, 1980 and is not expected to reopen until the end of May. During this period it will not be possible to register the transfer of shares withdrawn against the surrender of EDRs. A further notice will be published as soon as practicable stating the actual securities or other property to be distributed in respect of each EDR and the date and method to be employed for the delivery or payment thereof. It is only upon such notice that any payment or distribution will be effected against Coupon No. 8 or Coupon No. 9. The new shares will rank for dividends having a record date on or after March 1st, 1980 and will rank pari passu in all other respects with the existing shares.

The Chase Manhattan Bank N.A.
London, as Depositary.

February, 1980.

CITY OF COPENHAGEN

US\$25,000,000 6½% 20-YEAR EIGHTH CENTENARY LOAN OF 1967

Bondholders of the above Loan are advised that the Redemption due on the 15th April, 1980, i.e. US\$1,250,000 Nominal has been effected by purchase. The outstanding balance after the redemption is US\$8,750,000 nominal.

HAMBROS BANK LIMITED
21st February, 1980.

Notice to the Holders of Bonds of the issue 7½%—1972-87 of FFr. 150,000,000 made by the European Coal and Steel Community.

The Commission of the European Communities announces that the annual instalment of bonds amounting to FFr. 15,000,000 has been purchased for redemption on April 1, 1980.

NOTICE OF PURCHASE
EUROPEAN INVESTMENT BANK

US\$100 million 8½% Dollar Bonds of 1978 due 1st February 1988
US\$100 million 8¾% Dollar Bonds of 1978 due 1st February 1993

NOTICE IS HEREBY GIVEN that during the twelve-month period ending 31st January 1980, US\$2,000,000 of the European Investment Bank's 8½% Bonds of 1978 due 1st February 1988 and US\$4,000,000 of the 8¾% Bonds of 1978 due 1st February 1993, were purchased by Union Bank of Switzerland (Securities) Limited London as Purchase Agent for account of such Bank. As of 1st February 1980 the principal amounts of such Bonds remaining in circulation was respectively US\$95,000,000 and US\$91,000,000.

EUROPEAN INVESTMENT BANK
February 1980.

PUBLIC NOTICES

BIRMINGHAM COUNCIL BILLS
£8.0m 91 day Bills issued 21st February, 1980, mature 22nd May, 1980. Applications totalled £51m. Minimum accepted price £95.96. Average rate of discount £16.204%. Total Bills outstanding £23.5m.

EAST SUSSEX COUNTY COUNCIL
£2,000,000 Bills issued 20th February 1980 at 16⁵⁄₃₂% to mature 21st May, 1980. Total applications were £33.5m and there are £4m Bills outstanding.

GREATER LONDON BILLS
£35m Bills issued 14th February 1980, maturing 15th May 1980 at 16.2044%. Total applications £163m Bills outstanding £60m.

NEWCASTLE UPON TYNE COUNTY COUNCIL
£9,500,000 Bills issued 20th February 1980 at 16⁵⁄₃₂% to mature 21st May, 1980. Total applications were £49.5m and these are the only outstanding Bills.

SOLIHULL METROPOLITAN BOROUGH
£1m Bills due on 21st May 1980 were offered on 20th February 1980 and were allocated at a rate of 16⁵⁄₃₂%. Applications totalled £8.5m. This issue will bring the total of Bills outstanding to £4m.

LECTURES

GRESHAM LECTURES
in Geometry

Geometry Under Constraints by Professor C. W. Kilmister.
Three one-hour lectures at The City University, Northampton Square, London, EC1, at 6.00 p.m., February 26, March 3 and 10.

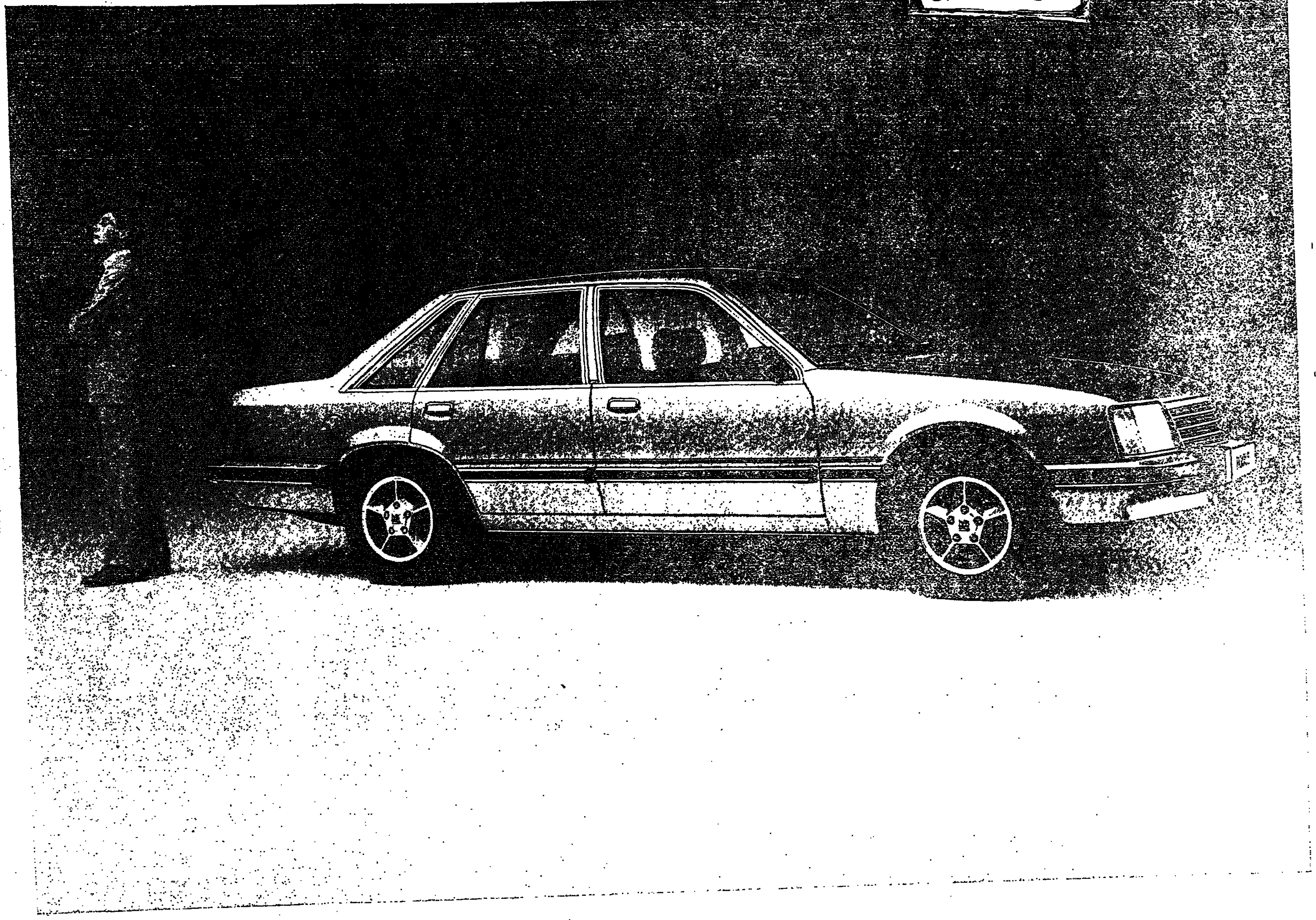
PERSONAL

LA SALLE DE POISSONS, New Fish Restaurant opened at Bastions Restaurant, Hampton Court. 977-6074. Few Reservations.

TRAVEL

GENEVA, Basle, Zurich and Berne, widest choice of cheap flights from 4 U.K. airports. Brochure FALCON 01-351 2191.

هذا من الاصل



Is it vulgar to talk about value in a luxury car?

These days, car salesmen offer you the options list the way waiters offer you the à la Carte.

Leaving you to choose the fixtures and fittings according to your pocket.

A state of affairs which we find lamentable.

Hence, the appointments, generally found on the options lists of other cars, are already present in the Royale. For example, automatic transmission is standard. (You can have manual, if you prefer, at no additional cost.)

Nor is the car required to embrace a variety of humbler engines.

Only one is offered: a 2.8 litre 6-cylinder unit that accelerates the Royale to a top speed of 115 mph.*

Inside, the furnishings are such that even the most critical of travellers will find little to carp at.

The seats are covered in crushed velour with head restraints at the rear as well as the front.

You can even adjust the driver's seat for height, as well as for reach and rake.

Additionally, the steering wheel can be tilted and the steering is powered.

Those interested in the smaller details will find central locking for the doors, an electronic boot release, a sliding steel sunroof and radio/stereo cassette player.

While outside are double-skinned metallic paint, alloy wheels and a headlamp wash/wipe system.

In fact, the Royale's specification is so complete that the only option offered is air conditioning.

Your Vauxhall dealer will be glad to demonstrate these virtues to you.

And you'll find he hasn't the slightest inhibition about extolling the car's remarkable value.

SALOON £10,100. COUPE £10,647. PRICES. CORRECT AT TIME OF GOING TO PRESS. INCLUDE CAR TAX & VAT. DELIVERY & NUMBER PLATES EXTRA. *MANUFACTURER'S FIGURES.

VAUXHALL
ROYALE

THE STEEL STRIKE ENTERS ITS EIGHTH WEEK

Imports beat ports blockade

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

INCREASING NUMBERS of steel stockholders and users are turning to overseas suppliers and using ingenious methods of avoiding the steel ports blockade.

Although these supplies are seen as strictly temporary, the longer-term implications for the British industry could be worrying. Mr. Robert Scholey, chief executive of British Steel, said yesterday: "Our customers are discovering the pleasure of second sourcing from the Continent."

Much of the steel purchased on the Continent is destined for stockholders, some of whom are showing considerable ingenuity in arranging for its transport and delivery. Many manufacturers, who for obvious reasons do not want to be named, agree that they are being offered foreign steel by stockholders.

The degree of dependence on foreign steel at this time differs greatly from one company to another, while the energy with which foreign sources are being pursued depends largely on the level of capacity at which a factory is operating.

In spite of the fact that the ISTC is picketing the London Docks area, stockholders claim that this has been one of the easiest ports through which to bring steel in containers. Out of 100 major ports around the country, 50 have facilities for roll-on, roll-off traffic, and some smaller ports can also handle this traffic. A strike by stevedores and dockers at London Docks has now halted all movement of cargo in London.

There is also evidence that manufacturers are turning to the Continent for components which British industry is not ably to supply because of the steel strike.

One engineering company which is enjoying a continuing high level of demand for its products has increased the proportion of foreign steel which it consumes from around 20 per cent to 60 per cent.

In the first month of the strike, imports of steel amounted to 306,949 tonnes, which was below that recorded by Customs and Excise for December (326,371 tonnes) but much higher than January 1979 (216,544 tonnes).

British Steel said yesterday that it has asked all its customers to send in orders for their estimated steel needs after the strike, and has asked them to put in their maximum demands so that a vigorous steelmaking and re-rolling programme can be started up.

BSC has already promised customers that it will source from the Continent in the initial start-up period in order to satisfy customer requirements.

Freddie Mansfield

Confrontation . . . a steel picket and a Right to Work member face each other outside the Sheerness steel works yesterday.

Police arrest 30 pickets

BY RAY PERMAN, SCOTTISH CORRESPONDENT

POLICE ARRESTED 30 pickets in Lanarkshire yesterday after the men sat and lay down in the road to prevent empty lorries entering steel stockyards. Five pickets appeared in court later, and were fined a total of £500 when they admitted charges of obstruction. Others are to appear in court today.

The arrests came at two separate incidents at yards owned by Steel Stockholders (Birmingham) at Wishaw and Bellshill. The company has been picketed continuously since an agreement it made with the strike committee expired two weeks ago.

The strikers saw the police move as a tougher policy directly resulting from comments made in the Commons on Tuesday by the Prime Minister and the Attorney General, but this was denied by both the police and the Scottish Office.

Five men were arrested early yesterday morning when they tried to prevent a lorry from entering the Wishaw yard, but attention then switched to Bellshill, where 150 pickets tried to block the gates.

Police, who were waiting in vans, moved in to try to escort lorries through the picket. There were some scuffles, and five policemen were slightly injured.

● Production workers at Manchester Steel "regretfully" joined the national strike yesterday after IFTC leaders had refused to grant them a dispensation.

● More than 100 wives of workers at the private Sheffield steel works Hadfield protested to Mr. Arthur Scargill, the Yorkshire miners' leader, against his support for action against the private steel sectors.

● On Merseyside, 200 men at the private Hidston Steel Company in Birkenhead were back on strike after earlier defying their union by going to work.

Corporation prepared to close Llanwern or Port Talbot

BY ROY HODSON

BRITISH STEEL executives are seriously considering whether the planned restructuring of the industry by closures, and by the loss of 52,000 jobs, will go far enough to bring down the Corporation's production into line with realistic sales targets for the 1980s.

Mr. Gordon Sambrook, commercial director of British Steel and a board member, said last night that there is 3m annual tonnes of surplus strip steel production capacity in Britain.

He said: "We have no prospects of putting plant to profitable use after the strike by stepping up our export sales. At the present level of the pound and the low level of world steel prices we would lose a bomb on every tonne of steel exported."

A new forecast that the home market requirement for steel will fall to 14.3m product tonnes in 1980-81 compared with recent levels of 15.5m tonnes is causing concern within the corporation.

'Spin-off'

The plight of the car industry, and the spin-off effect among supporting industries, are the main reasons for the new pessimism in steel demand estimates.

In less than 12 months the strengthening pound plus inflation has cost the corporation £30 a tonne in lower profits upon steel sold into the U.S. which traditionally has been a strong market for British steel making.

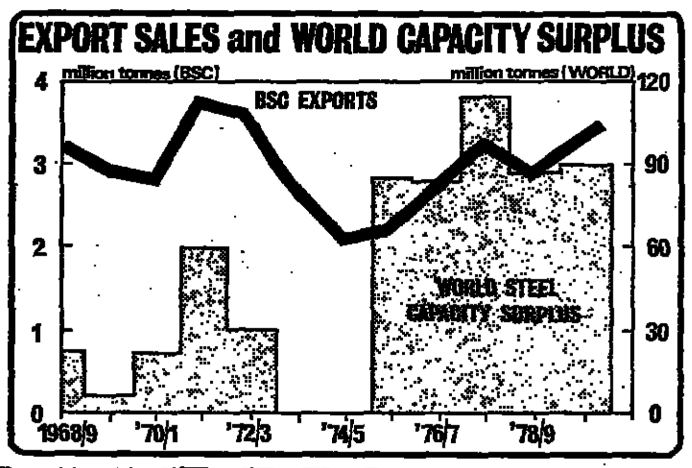
Representatives of the corporation, members of the TUC, and European MPs and Common Market officials will discuss the problem facing Welsh coal and steel at a series of meetings today in Brussels.

British Steel will acknowledge that its programme to run down South Wales strip steel making between March 31 and the end of August by cutting out 11,500 jobs from Llanwern and Port Talbot, will have to be postponed because of the strike.

However, the Corporation will insist that the closure programme must be pushed through within four or five months of the ending of the strike if a credible British industry in flat-rolled steel products is to be maintained. The Corporation's "slim line" plan for South Wales steel is designed to save £70m a year in employment costs. That will represent savings of £20 on every tonne of steel made in South Wales.

The intention is to make 2m tonnes a year at Ravenscraig, Scotland, and to reduce the output of the two South Wales mills to a total of 2.8m tonnes a year.

If it proves impossible to reach agreement about de-manning in South Wales, the Corporation is prepared to go for the "hard" option of closing either Llanwern or Port Talbot.



Stocks may survive till next month

By Our Financial Staff

AFTER SEVEN WEEKS of the national steel strike most stockholders seem able to continue supplying customers at least until early next month.

Several major stockholding companies say they can continue supplies mainly because of overstocking by steel-users before the strike began in January.

It appears that a small quantity of steel has also come to stockholders from independent producers in the UK and on the Continent.

Guest Keen and Nettlefolds, the largest steel stockholder, said that stocks were significantly down in the "most popular sizes." Mr. Norman Richards, chairman of GKN Steelstock, said: "I think it will be another two to four weeks before we run out of stock."

"We have stocks to see us through this month, but March will be more critical," said Mr. M. Hale, finance director of Central Manufacturing and Trading.

Substantial

Mr. Geoffrey Firth, chairman of James Austin Steel Holdings, said that there were already shortages in some product lines, but stocks generally could last 4 to 6 weeks longer.

Ductile Steels, Sheffield, estimated that the strike was costing the group about £200,000 a week. Mr. B. H. Taylor, managing director of the stockholding division, said that picketing had allowed only 2,000 tonnes to be moved during the strike.

"We are now very substantially stocked with 20,000 tonnes of steel. In normal times this would be equal to 11 weeks' supply."

At United Spring and Steel Group, West Midlands, stocks are down to about two to three weeks' supply. Mr. D. Westwood, the chairman, said that there was three to four weeks' supply in the docks, "but we can't necessarily get our hands on it."

At the National Association of Steel Stockholders Mr. Alan Knisely said that he thought supplies would hold out "in the immediate future." Most orders were being filled. Normally he would have expected panic buying, but had heard of none.

ICI plant closure threat under Commission plan

BY SUE CAMERON, CHEMICALS CORRESPONDENT

IMPERIAL Chemical Industries could be forced to close three giant chlorine plants if European Commission proposals for controlling mercury pollution in water go ahead.

In the past few years ICI has spent nearly £20m on reducing the amount of mercury discharged into water by its chlorine plants.

Ministers at the Department of the Environment say mercury pollution from UK chlorine producers—BP Chemicals has chloride plants at Baglan Bay in Wales and Sandbach in Cheshire—is already being controlled "effectively and economically." They are fighting the European Commission's draft directive on mercury pollution and they have accused other members of the Community of going back on an agreement made in Brussels in 1975.

The department appears to have some confidence that the UK will win its fight to modify the present proposals—if only because of the deal between Britain and her Common Market partners that was embodied in a 1976 directive on water pollution.

Yesterday the Chemical Industries Association said UK chlorine producers believed that ultimately they would not be forced to close their plants.

The row over mercury pollution stems from the different approaches towards controlling effluent in water that have been adopted by the UK and by other members of the European community. Britain operates a system of environmental quality objectives for controlling water pollution while other European countries favour fixed emission levels.

Under fixed emission level schemes, it is the amount of mercury discharged per tonne of chlorine produced that is measured — not the cleanliness of the water into which it goes. The commission wants the permitted limit to be set initially at 8 grammes of mercury per tonne of chlorine produced. It is suggesting the level be further reduced to 5 grammes and 2 grammes depending on the production process used by 1989.

Britain's method of controlling mercury pollution is to measure the purity of the water into which the effluent is discharged, enabling water authorities to take into consideration the use to which the water is being put and the number of chemical plants that are discharging effluent into it.

In 1975, Environment Ministers from the Nine agreed that Britain should be able to continue using her own system for the control of water pollution and the commission put forward a suggested environmental quality objective for the UK of 0.5 microgrammes of mercury per litre of water.

Britain says this standard is far more stringent than the fixed emission limits that have been proposed for the other members of the community and Britain claims that other European states are reneging on the 1975 agreement.

Hotpoint and Comet in loss-leader row

BY GUY DE JONQUIERES

A FRESH DISPUTE has broken out between Hotpoint, the General Electric Company's home electrical appliances subsidiary, and the Comet retail chain, over the latter's retail pricing policies.

Solicitors for GEC-Schreiber, the Hotpoint holding company, have written to Comet accusing it of treating Hotpoint products as loss-leaders on which it charged artificially low profit margins in an attempt to attract customers into its stores.

The letter, sent last Monday, asks Comet to supply within 10 days detailed information about its cost structure and margins on products, including its own Newpol brand of appliances.

Comet recently launched an aggressive marketing scheme, part of which undertook to sell electrical goods at the lowest prices available.

Mr. Graham Morris, a director of GEC-Schreiber, claimed yesterday that Comet had raised the prices of its Newpol brand since the scheme took effect, while slashing margins on Hotpoint products to as little as 7 per cent.

This, he said, was well below the 14 per cent gross profit on sales which Mr. Michael Hollingberry, Comet's chief executive, described last April as the "survival margin."

A spokesman at Comet's headquarters in Hull said the company "completely rebutted" suggestions that it used Hotpoint products as loss-leaders.

Comet would reply to the solicitors' letter, but, he indicated, would refuse to give all the information Hotpoint sought. Much of this had to do with Comet's internal affairs and was no concern of a manufacturer.

Mr. Morris would not say exactly what action GEC-Schreiber would take if it judged Comet's reply unsatisfactory.

He said the 1976 Resale Prices Act entitled a manufacturer to withhold supplies if he thought a retailer treated them as loss-leaders.

Shipping 'weight problem'

THE UK's "severe restrictions" on maximum lorry weight are hitting the competitiveness of Britain's exporters and shipping lines, the General Council of British Shipping said in evidence to the Armitage inquiry on lorries and the environment.

The council said that the British exporter—the customer of the shipping lines—needed an efficient, economic distribution service.

However, Britain's lorry weight limits compared unfavourably with those of other countries in Europe, where they were generally higher. The maximum permitted gross vehicle weight in Britain is 32 tons. This restricts the payload of 40 feet containers to about 21 tons, compared with 30 tons if they were fully loaded.

Containers could not be effectively topped up at the ports, the council said. Weight restrictions limited the revenue that could be earned from a full container without a corresponding cut in costs.

New town protest

THE Town and Country Planning Association has criticised Government policy on new towns, particularly the sale of the assets of development corporations. It says the policy is "extremely short-sighted," and will show "no actual saving of resources." Sales would undermine the planning of more recent new towns which are still growing.

Engineers' reaction

THE GOVERNMENT has urged employers to come forward with reactions to the Finniston Report on the engineering profession so that it can assess the degree of support for its recommendations.

Brokers' rules

TWENTY-FIVE firms of London stockbrokers sent representatives to a meeting to consider the draft rules for dealing in overseas securities published by the Stock Exchange.

The draft includes controversial proposals to put jobbers on a more equal footing with brokers as regards trading foreign securities with foreign firms.

Surrey Docks short-list scrapped by councils

BY ANDREW TAYLOR

THE MAJOR developers who failed to make the short-list of recommended schemes for the redevelopment of the key 120 acre Southwark site in London's Surrey Docks are to be given a second chance.

Greater London Council and Southwark borough council, joint owners of the site, have at this stage decided to ignore a short-list of five recommended schemes compiled by a working party of its own officers and members of the Docklands Organisation.

Instead, all 15 schemes submitted are to be put on public exhibition next month, after which a new short-list may be drawn up.

The unexpected move was decided at a meeting of senior GLC and Southwark councillors on Tuesday. In the brief given to contractors and others submitting schemes there had been no mention of the possibility of holding a public exhibition.

The disclosure of the names on the short-list — which included two major Dutch developers and one major French construction group—is understood to have embarrassed the local authorities.

Among the schemes which are to be given an unexpected second chance is a proposal put forward by a consortium which included Sir Robert McAlpine construction group and St. Mary at Hill Properties. Guinness Peat has agreed to arrange finance for this proposed £354m development.

The local authorities hope that they will be in a position to draw up a new short list at the end of March.

Tariffs hit shoe exports

FINANCIAL TIMES REPORTER

THE UK footwear industry yesterday urged the Government to "come to grips" with the increasing problem of protectionist policies being adopted by countries which have in the past been open to UK exports of shoes.

A report published by the Economic Development Committee for the Footwear Industry criticised Government failure to respond to requests for greater fairness in world trade in footwear.

It said that more and more countries were raising tariff and non-tariff barriers against British footwear but no counter measures were being taken by either the British Government or the EEC.

More than 75 per cent of the world's markets for footwear are protected by significant barriers, quotas or other restrictions. Only the EEC and the U.S. continue to offer relatively unrestricted access.

This means that UK manufacturers face severely restricted export markets as well as increasing pressure on the domestic market as the exports of other countries are diverted to the few remaining open markets.

In 1978, 43 per cent of all footwear sold in the UK was imported while exports, also affected by the high value of the £, dropped from £102m to £97.8m.

Mr. Spencer Crookenden, chairman of the Footwear Development Committee, said: "One country after another is putting up trade barriers while we are wide open to imports. We want reciprocal trading agreements. Some sort of protectionist policy seems necessary."

The report indicates changes in the UK footwear market, with increased demand for upgraded footwear with leather upper soles, while demand for non-leather goods fell in 1978-79.

Lure of Old Masters

BY ANTONY THORNCROFT

YESTERDAY it was Sotheby's turn to be surprised by the enthusiasm of buyers.

On Tuesday an Islamic bottle, catalogued by Christie's as 19th century, was recognised by a couple of dealers as 13th century, and very rare, and sold for £26,00 as against the pre-sale estimate of £250.

In the Sotheby's Old Master paintings auction yesterday a picture of St. Peter preaching catalogued L. de la Hyre and dating from around 1700, was bought for £15,000, compared with the £600-£800 estimate.

Obviously two prospective buyers thought the picture was by an important French artist and they bid each other up, but Sotheby's is convinced that it is just a version of an altar-piece by Charles Poerson in the style of Hyre and is sticking with its description.

All the top prices in this sale far exceeded their estimates. A still life of flowers by Abraham Dissius went for £9,500, around five times forecast, mainly because it was a pretty picture; and van Haeften, the London dealer, gave £8,000 for a coastal scene, catalogued Ruisdael, and estimated at £800-£1,200. Here again Sotheby's is sticking by its opinion that this is a copy of around 1700 in the Ruisdael style.

Coal industry output record

By Maurice Samuelson

THE COAL industry hit a four-year record last week with deep-mined output of 2.53m tonnes, Sir Derek Ezra, the National Coal Board chairman, said yesterday.

It followed the recent 6 per cent rise in productivity, a 12 per cent rise in the attendance rate and halving of the amount of coal lost in industrial disputes, he told chartered accountants in London.

In contrast to the decline of the past few years trends in the industry were rising steadily.

A fishing fleet sails into oblivion

BY RICHARD MOONEY

THE ANNOUNCEMENT this week that Hull, until recently Europe's most important fishing port, is putting up the shutters, has cast a deep shadow over the whole UK fishing industry.

The port Fishing Vessel Owners' Association's decision to go into liquidation came as no great surprise, however. It merely confirmed fears that have been growing ever since Britain joined the Common Market. Fishermen's leaders have warned repeatedly of the impending collapse of the industry unless new fishing opportunities were found to replace those lost off Iceland and elsewhere, and unless Government aid was granted to tide the trawlermen over in the meantime.

But no money has been forthcoming, and only token efforts have been made to establish new fisheries.

Hull is not the first port to succumb—the small Scottish port of Granton was forced to close in 1978—and it will probably not be the last. The question is: where will the axe fall next?

The basic problem is that British trawlermen are not catching enough fish, and not enough of what they do catch is landed at British ports.

The total UK fish catch has declined from about 1m tonnes 10 years ago to an estimated 840,000 tonnes last year. But these figures disguise a major change in catching patterns. Whereas high-value white fish—mainly cod—accounted for most of the earlier figure, about 350,000 tonnes of last year's catch was low-value mackerel, a species for which catches were negligible until a few years ago.

This obviously means that the real value of the catch has declined sharply. But more importantly for the ports, almost all the mackerel is transhipped at sea, mainly to Russian factory ships. Actual British landings have been halved.

Such a dramatic cut would have been serious, even if quayside prices had risen to reflect the reduced supply—but this has not been the case. The supply deficit has been made up by imports of frozen fillets and even of fresh fish landed at Continental ports and shipped to Britain in containers.

NEWS ANALYSIS

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FISHING

British fishermen claim matters are made even worse by the fact that the imported fish is caught by subsidised EEC fishermen, who are able to undercut the economic return required by the British. They are convinced, moreover, that most of the fish are caught in defiance of EEC conservation regulations.

"Other EEC governments turn a blind eye to this illegal fishing," said Mr. R. K. Dalton, secretary of the Hull Fishing Vessel Owners' Association. "But when a British vessel tried it on last year, its skipper was prosecuted by his own Government.

"Britain's fishermen are forced to abide by the letter of EEC law, while their EEC partners have done just the opposite."

A British Fishing Federation spokesman said Dutch, Danish, French, German and Belgian fishermen were all allowed to "cheat" in this way, and all received substantial subsidies from their governments.

BFF figures show that the British deep sea fleet, which numbered 473 vessels at the beginning of 1975, had shrunk to 176 by the end of last year—and there have been further cuts since. The biggest reduction has been at Grimsby, which began with a deep sea fleet of 155 and now has only 17, though there has been a compensating increase in the port's inshore fleet. The only port to hold its own in terms of fleet size is Lowestoft, which now has 63 deep sea vessels against 65 in 1975. But with Dutch plaice imports undercutting prices for locally caught fish, even Lowestoft is in danger of going to the wall.

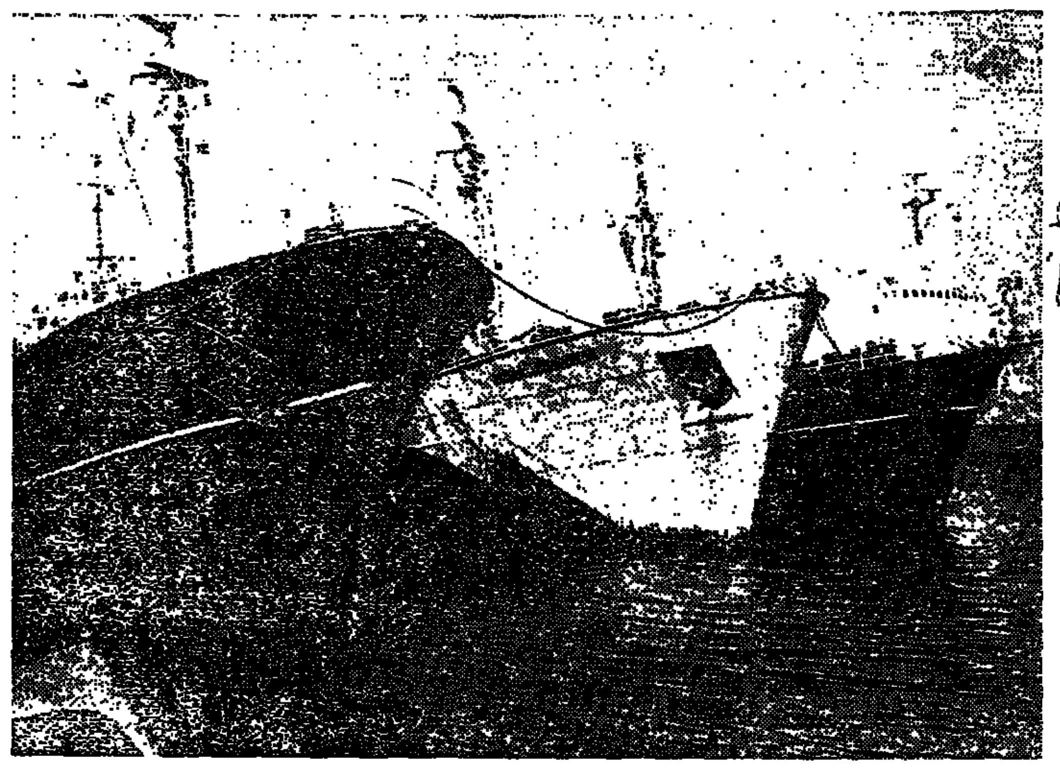
The implications of the decline are clear. Because of the reduced number of vessels, landing dock charges have to be raised to cover costs, putting further pressure on fishermen's profits.

The clearest case of this was at Hull, which was almost entirely dependent on the deep sea fleet. With only 20,000 tonnes of fish expected to be landed this year, the Vessel Owners' Association was forced to raise its wharfage charge to £51 a tonne, compared with about £6 at other commercial ports. The owners said they could not pay it and still show a profit. So the Association, which rents the dock from the British Transport Docks Board for £120,000 a month, was forced to call it a day.

Talks are continuing, but there seems no way the port can be saved.

The other ports are less dependent on deep sea trawlers and so are less vulnerable, but with costs rising and fishing prospects deteriorating most can see a time when they will be forced to shut.

Even Falmouth, which should have had a bright future as a result of the rapid growth in the South-West mackerel fishery, has had its prospects blighted. There were plans to build onshore processing facilities there and to commission processing vessels so that more added value from the mackerel catch could be kept in Britain. But the plans have now been dropped in recognition of the possibility that there may soon not be enough British trawlers left to supply a domestic processing industry.



Terry Kirk

The shape of things to come . . . laid-up trawlers reflect the parlous state of the fishing industry. Fishermen blame Common Market policies, and Government reluctance to help the industry to survive.

If the big trawlers are all laid up and all the big ports are forced to close, Britain's smaller ports could benefit in the short term as the remaining inshore and middle water vessels seek new home bases. But the profitability of the smaller vessels is also under pressure, and it might be only a matter of time before the small ports begin to follow their bigger brothers into oblivion.

The BFF is keeping up pressure on the Government to bale out the industry with cash aid for "mothballing" vessels which could have a future if circumstances improved, and for "decommissioning" less hopeful cases. It also wants more work to be done on finding new species for the British to exploit, and some sort of assistance to make catching them economic while new markets are developed.

But these suggestions have a forlorn ring, and more and more people in the fishing industry are becoming convinced that, by the time an equitable Common Market fishing policy is agreed, Britain will no longer have a viable fleet to benefit from it.

Bank role in money markets criticised

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE UK may have passed the turning point of monetary expansion, provided that the Bank of England ceases to intervene on a large scale in foreign exchange markets, stockbrokers W. Greenwell and Co. say in their latest monetary bulletin published this morning.

The brokers, among the leading monetary commentators in the City, are cautiously optimistic after what they describe as the disappointments of last autumn. Some analysts are less bullish and believe the turning point could be slightly later, possibly in the early summer.

The bulletin points out that in the seven months since mid-June, the base for the current target range, the underlying growth of sterling M3, the broadly defined money supply, has been between 1 and 2 points above the top of the 7-to-11 per cent range. Monetary growth in the past three months, however, has been much lower than in the previous four months.

The brokers express a major reservation about the large scale of recent official intervention in the foreign exchange markets moderating the rise in sterling, and they say this can have dangerous consequences for the growth of the money supply.

Greenwell say this intervention should cease.

In a comment written before Tuesday's action by the U.S. Federal Reserve Board, the brokers say the ideal solution would be for the U.S. authorities to tighten their monetary policy immediately, which would remove the source of the UK's problem.

"But if this does not happen and if sterling continues to rise, the appropriate policy response for the UK authorities will be to impose temporary incoming exchange controls."

The brokers maintain that if the UK already had an efficient monetary base system of control and if the authorities had not intervened directly in the foreign exchange markets, the rise in money market rates of interest since the turn of the year would certainly have been less

The bulletin says that there is some indication that bank lending is starting to fall.

Scientists share £61,000

BY ELAINE WILLIAMS

EIGHT SCIENTISTS are to share £61,000 for their contribution to developments in opto-electronics, the science of electronics using light.

For work which led up to the invention of materials for use in liquid crystal displays—found in pocket calculators and watches—£40,000 goes to five scientists from the Royal Signals and Radar Establishment in Malvern and Hull University.

Professor Cyril Hilsum and Dr. Edward Raynes of RSRE, and Professor George Gray of Hull University will receive £10,000 each while £5,000 each goes to Dr. John Kirton and Dr Kenneth Harrison.

Three other winners, each receiving £7,000, are Dr. Denis Baylor, Dr. Trevor Lamb and Dr. King-Wai Yau for joint work on techniques which have led to greater understanding into the workings of the eye's sensitivity.

The prizes will be given on March 4 at the Royal Society by Sir John Davis, chairman of the Trustees who administer the funds.

London 'losing traffic wardens'

LONDON IS losing its traffic wardens, and unless there is a halt in manpower wastage it could be without a viable service in six months, Mr. Les Moody, general secretary of the Civil Service Union, said at a London Press conference.

Two years ago the approved strength for the Metropolitan Police area was 1,800. At the end of last month manning had dropped to 1,081. Mr. Moody called for better pay to stop the decline.

UK NEWS

Howe defends tight monetary policies

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, has provided MPs with his longest explanation so far of the assumptions and beliefs underlying the Government's economic strategy. He thinks the speed with which a tight monetary policy affects the inflation rate depends on market expectations and on pay negotiations.

This is one of the central themes of a letter from Sir Geoffrey to Mr. Edward du Cann, the Tory MP for Taunton and chairman of the all-party Commons Select Committee on the Treasury and Civil Service.

The letter is in response to a request from the committee for answers about a number of aspects of monetary policy. This is intended to provide background for a major inquiry into monetary policy which the committee intends to undertake after the Budget.

A number of MPs on the committee are believed to have been disappointed that Sir Geoffrey's reply does not provide more supporting evidence for his beliefs. It is likely that the inquiry will, among other points, examine the detailed mechanics of monetary policy.

Sir Geoffrey says: "The ways in which control of the money supply affects the growth of money national income and ultimately prices are complex. Lower monetary growth may be expected to result in a lower growth of money incomes and nominal expenditure, because of its effects on the exchange rate and asset prices and the fiscal changes required to achieve lower monetary growth.

"Lower growth of money incomes will ultimately lead to lower inflation. The speed at which this occurs depends crucially on expectations in both domestic and external markets, and in particular on the effects on domestic pay negotiations. The more moderate are pay settlements, the faster will be the adjustment of prices and the smaller any transitional effects upon profits, output, investment and employment."

Strong pound

Sir Geoffrey stresses that monetary policy is essentially a medium-term policy. "The practice of publishing targets for the monetary aggregates is of relatively recent origin in this country, dating from 1976. The UK's experience, therefore, is limited so that past experience may not be a good guide to developments in the new situation."

"The Government's commitment to a firm monetary policy has contributed significantly to the strength of sterling. A high exchange rate has a direct beneficial effect on inflation through the reduction in the cost of imports.

"For the future, I believe that the Government's determination to maintain a strict monetary policy will have an important influence on inflationary expectations."

He repeats that the Government's longer-term aim is to reduce the basic income tax rate to no more than 25 per cent.

The Treasury and Civil Service Committee yesterday also published papers on the suggested contents of the annual public expenditure White Paper from Mr. Terry Ward, of the Department of Applied Economics at Cambridge, and Dr. Alan Budd, of the London Business School, both of whom are specialist advisers to the committee.

As foreshadowed in Monday's Financial Times, the papers suggest a number of improvements including fuller comparison of public spending plans and performance and more discussion of the economic background.

Mr. Ward says there needs to be a more open and realistic discussion of economic prospects and Government policy, and the recent trend towards the provision of more information of a non-financial kind should be extended.

There ought to be a more systematic attempt to relate public spending plans to the expected call on services.

Mr. Budd calls for greater information in the White Paper showing how public spending plans contribute to the Government's strategy of controlling monetary growth and containing public sector borrowing.

Ulster MP joins row over PLO

ULSTER UNIONIST European MP Mr. John Taylor yesterday joined the row over Irish Foreign Minister Mr. Brian Lenihan's call for recognition of the Palestine Liberation Organisation.

Mr. Taylor said in Brussels that the people of Northern Ireland had been embarrassed by Mr. Lenihan's "appalling comments." Mr. Leniham called for talks with PLO leader, Yasser Arafat, and for recognition of the organisation as the legitimate representative for the Palestinian people.

But Mr. Taylor added they were not surprised at the enthusiasm of the Irish Government for the opening of a PLO office in Dublin. "The PLO and the IRA have been in regular contact during the past 10 years as I know from my earlier years as a member of the Northern Ireland Security Council," he said.

Councils in grants change bid

BY ROBIN PAULEY

LOCAL AUTHORITIES have produced alternative proposals to the Government's controversial plans to introduce a block grant system to replace the rate support grant.

The main proposal would be for a system of assessing local authorities' needs element—the amount local authorities need to spend to maintain standards of service similar to each other.

"The plan suggests that the needs assessment of an authority should not change on a year-by-year basis, by more than a specified margin. This margin would be limited to a percentage of local authority current-account spending.

The needs assessment would be a single figure covering all the services of any authority, and not split between services or groups of services.

The plan is put jointly by the Association of County Councils; Association of District Councils; Association of Metropolitan Authorities; London Boroughs Association; and Greater London Council.

The five, all Tory-controlled, have been unanimous in condemnation of the system of block grant support in the Local Government Planning and Land Bill, now before Parliament.

The authorities considered the problem of limiting entitlement to grant under the resources element—which compensates councils for differences in rateable values—and breaking the existing automatic link between resources grant and expenditure.

Institutions 'should aid NEB link with industry'

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

AN APPEAL to financial institutions to help the National Enterprise Board develop a new partnership with the private sector and reinvigorate key sections of industry was issued last night by Sir Arthur Knight, the Board's new chairman.

In his first public speech since he succeeded Sir Leslie Murphy as chairman last November, Sir Arthur described the NEB as a "benevolent but involved shareholder" which wanted to help establish a "greater role for market forces and disciplines."

But in a speech which indicated some criticism of the Goverment's policies, he said it was irrelevant to argue that "impersonal market forces" would alone cope with Britain's industrial problems. He suggested that the NEB could help in partnership with the private sector.

His remarks reflect the NEB's new role under the Industry Bill now passing through Parliament which, together with accompanying operating guidelines, requires the board to maximise private sector investment in its projects.

Speaking to the National Association of Pension Funds last night, Sir Arthur said: "We have in the NEB the beginning of a mechanism which can do for certain industrial situations what the developers and estate agents have done for property, combining perhaps its responsibilities with other institutions' power."

Stressing the way the NEB's industrial experience could complement the operations of financial institutions, Sir Arthur said the board had "considerable knowledge and understanding of particular sectors."

General economic problems made it even more urgent that the right industrial decisions should be taken affecting what happens for the next 10 to 15 years. "There is scope for differences of view on these matters," he said. "We need instruments which open up possibilities for alternative decisions—the NEB is one of them." But a "responsive investing community in the private side" was also needed.

The NEB saw itself as a "benevolent shareholder" in that it was prepared to wait far longer than most institutions for a return on its investments. It was an "involved shareholder" because it was not afraid to "get to grips directly with a company's problems, including strengthening the management."

On a national perspective, Sir Arthur backed the Government's wish to reduce the role ofr the state and establish a greater role for market forces and idsciplines. "Our post war experience in this country teaches us that we advocate intervention to deal with imperfections in the market at our peril. But our situation is dangerous. We are in peril any way."

The NEB had a role in helping a Government's industrial policy in this situation, which should involve "the feeling that the Government should take an interest."

Warning on risks of PWR reactors

BY MAURICE SAMUELSON

IF BRITAIN switches to pressurised water reactors for its nuclear power stations of the future, it might be courting the kind of risks demonstrated at last year's near-catastrophe at Three Mile Island in the U.S., MPs were told yesterday.

The warning came from Sir Alan Cottrell, the former chief scientific adviser to the Cabinet and one of the world's leading authorities on nuclear containment. His statement, to the Energy Select Committee, conflicted with last week's assertion by Dr. Walter Marshall, deputy chairman of the Atomic Energy Authority, that if Britain did not go ahead with the controversial U.S.-designed PWR system, it would be like driving on the left-hand side of the road while the rest of the world drove on the right.

Sir Alan said that Britain should nonetheless continue to build Advanced Gas-cooled Reactors which were safer and in which it had amassed considerable experience. Crisis management in an AGR was easier and operators in an AGR would not have had to face the problems which occurred at Three Mile Island.

The Three Mile Island accident, he said, had demonstrated the disadvantages of using water, rather than gas, as a coolant. Whereas gas retained its physical state, water had to be pressurised, and could turn to steam.

At Three Mile Island, operators had had to deal with rapid changes in the reactor, false indications of the physical state of the coolant and rapid overheating of the radioactive fuel due to disappearance of the water.

A further disadvantage of the PWR was that there would be no early signs of future failure in the form of small, slowly-growing perforations before the vessel burst apart. The vessel walls had to be very thick and a growing crack, while under operational pressure, could "spread to form a major break within a millisecond."

To avoid such an accident there would have to be rigorous safeguards and tests.

Dover cargo rise slows

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THERE WAS a sharp jump in tourist traffic through Dover, Britain's leading ferry port, last month. But there are signs that the spectacular growth in freight traffic is starting to slow down for the first time in a decade.

The number of passengers through Dover in January rose 18 per cent to 278,008. There were 46,742 accompanied vehicles—a 10 per cent increase.

But freight traffic through Dover, which had been growing at an annual rate of 13 per cent, rose only 1.9 per cent. Other roll-on/roll-off freight fell by 11.3 per cent.

The Dover Harbour Board attributes the drop in traffic to industrial action elsewhere which has reduced the port's throughput by up to 100 vehicles a day. The port authorities believe that the freight figures for February will be well down on last year's figure and the overall growth for 1980 is expected to be lower than in recent years.

The number of hovercraft sorties in January was up by 75 per cent and ferry services were up by 14 per cent, reflecting the increased capacity being brought on stream by the major operators.

New plea for 1988 Olympics

LONDON must not lose the chance of hosting the 1988 Olympic Games, Mr. Dick Jeeps, Sports Council chairman, said yesterday.

In a letter to Sir Horace Cutler, leader of Greater London Council, he said "In view of the fact that it would appear Dockland is now out of the question, the Sports Council would like you to consider the possibility of Wembley as the venue, once the present difficulties over the Games have been resolved."

January truck sales up by 10%

By Kenneth Gooding, Motor Industry, Correspondent

THE HIGH demand for commercial vehicles continued into January. Sales were more than 10 per cent up on the same month last year.

According to Society of Motor Manufacturers and Traders' statistics released yesterday, new registrations of commercial vehicles were 2,195 above the January 1979 level at 24,090.

Importers improved their share of the market to 23.61 per cent against 21.42 per cent in January last year. The main factor responsible for this was the shortage of commercials from Bedford, the General Motors' subsidiary. The impact of the 11-week strike at Bedford and its parent company Vauxhall last autumn is now beginning to show in the market place.

There is always a delay before production problems appear in the sales statistics because many commercial vehicles go to body builders before they can be completed and registered.

In the event, Bedford's January registrations dropped to 2,686 (4,593).

Among the other major UK producers, Leyland Vehicles' registrations were about the same at 1,005 (1,016), but total BL commercial sales were down 6,175 to 4,996 (6,175), mainly because there was a sharp drop in sales of car-derived vans.

Ford, which in January 1979 was still feeling the effects of its autumn 1978 strike, had 8,741 January commercial registrations (4,661).

Dodge, the PSA Peugeot-Citroen subsidiary, also marked time with sales a little better at 1,101 (1,067).

Among the importers, Daimler-Benz of West Germany (the Mercedes group) overtook Volvo of Sweden as the top importer of trucks and artics. D-B sold 352 heavy commercials and Volvo 350.

Total registrations of heavy commercials rose to 6,162 (5,115) of which imports accounted for 1,555 (1,039). Van sales rose to 9,769 (7,771) of which 2,678 were imported (1,858).

Registrations of car-derived vans fell to 7,192 (8,099). Imports fell to 1,102 (1,587). This part of the market reflects current economic conditions fairly quickly and seems to be indicating that the steam will soon go out of the commercial vehicle market.

The society's forecast for 1980 is that sales could drop to about 260,000 from 300,500, with light commercials down to 185,000 (220,000) and heavies to 65,000 (77,000).

Cathedral plea

A £450,000 development programme is being launched today by Wakefield Cathedral to build a memorial hall as a tribute to the late Bishop Eric Treacy, Bishop of Wakefield from 1968 to 1977, and for repair and renovation of the cathedral building.

FT Industrial Architecture Award

APPLICATIONS are invited for the 1980 Financial Times Award for an outstanding work of industrial architecture in the UK.

This is the 14th year of the award. Its purpose is to encourage high standards in industrial building and engineering works. All designers of industrial buildings may enter irrespective of their professional category in the building industry.

There will be two architect assessors, approved by the Royal Institute of British Architects, and one lay assessor, appointed by The Financial Times.

Applications must be received by May 16. The winner and those commended will be named on December 5.

Application forms can be obtained from The Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY, with envelopes marked "Industrial Architecture Award" in top left hand corner.

Notice of Redemption

Beatrice Foods Overseas Finance N.V.

9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1970, under which the above-designated Debentures are issued, $251,000 aggregate principal amount of such Debentures of the following distinctive numbers has been drawn for redemption on March 15, 1980 (herein sometimes referred to as the redemption date):

$1,000 Coupon Debentures Bearing the Prefix Letter M

M 1	1512	2455	2763	3132	3299	3575	4168	5280	5655	6797	8384	8662	9568	10609	11712	12753	13444
2	1525	2457	2766	3169	3304	3577	4172	5281	5657	6805	8390	9011	9616	10636	11743	13088	14132
3	1618	2459	2767	3173	3306	3588	4173	5285	5658	6879	8431	9023	9636	10639	11767	13156	14177
4	1619	2469	2768	3174	3313	3592	4187	5296	5659	6868	8454	9025	9647	10642	11819	13220	14206
5	1717	2490	2953	3176	3339	3647	4189	5335	6090	7284	8472	9026	9688	11328	12087	13271	14254
7	1719	2493	2956	3177	3475	3651	4191	5337	6092	7312	8499	9028	9702	11372	12108	13280	14318
9	1720	2496	2957	3210	3476	3652	4193	5344	6093	7351	8534	9248	9725	11396	12133	13295	14365
17	1722	2497	2958	3226	3478	4097	4196	5345	6095	7356	8540	9259	9729	11467	12141	13319	14386
18	1727	2514	2960	3234	3481	4100	5256	5352	6098	7382	8572	9295	9736	11512	12160	13328	14419
19	1735	2700	2987	3263	3511	4102	5257	5361	6390	7400	8588	9406	10548	11514	12597	13349	14512
1395	1741	2711	2988	3266	3517	4103	5267	5515	6392	7422	8595	9488	10575	11580	12636	13353	14535
1396	1742	2713	3116	3271	3520	4104	5269	5516	6654	7429	8597	9513	10577	11622	12670	13385	14564
1401	1744	2722	3117	3289	3571	4165	5270	5524	6781	8357	8627	9534	10595	11676	12702	13413	14763
1410	2445	2727	3121	3296	3573	4166	5279	5654	6789	8371	8640	9557	10596	11689	12724	13435	

The Debentures specified above are to be redeemed for the Sinking Fund (a) at the W. C. G. Bond Windows—2nd floor of Citibank, N.A., Trustee under the Indenture referred to above, No. 111 Wall Street, in the Borough of Manhattan, the City of New York, or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, Frankfurt-Main, London (Citibank House), Milan, Paris and Brussels, and Banque Internationale à Luxembourg in Luxembourg. Payments at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York on March 15, 1980, the date on which they shall become due and payable, at the redemption price of 100 percent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after the redemption date, interest on the said Debentures will cease to accrue, and, upon presentation and surrender of such Debentures with all coupons appertaining thereto maturing after the date fixed for redemption, payment will be made at the said redemption price out of funds to be deposited with the Trustee. After the redemption date there will remain outstanding $4,000,000 principal amount of Debentures.

Coupons due March 15, 1980 should be detached and presented for payment in the usual manner.

Beatrice Foods Overseas Finance N.V.

By: CITIBANK, N.A., as Trustee

February 14, 1980

NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

M [illegible]

South Wales miners vote for all-out strike

BY ROBIN REEVES

A SOUTH WALES miners' delegate conference agreed unanimously in Porthcawl yesterday to join steelworkers in an all-out strike by the coalfield's 27,000 miners from next Monday. The action is against the threatened run-down of the steel and coal industry in South Wales and major redundancies planned elsewhere by the British Steel Corporation.

Mr. Emlyn Williams, the South Wales miners' president, accepted it was an act of political confrontation and in defiance of the appeal from TUC leaders on Tuesday for restraint by the Welsh trade union movement. "But in our view, the steelworkers can't be left to fight alone. We shall be missing the boat if the steelworkers go back to work and are defeated on jobs," he said. The miners' objective was to retain the basic industries of steel and coal. "Our stance is no job losses," Mr. Williams said.

Strike committee representatives from BSC's Port Talbot and Llanwern works gave the conference a commitment that steel workers at both plants would not return to work until the jobs issue was resolved satisfactorily.

BSC wants to halve steel production at Port Talbot and Llanwern to 2.75m tonnes, creating 11,300 redundancies. It forms part of the pre-steel strike crisis package to cut BSC's capacity to 15m tonnes a year and reduce the labour force by 52,000 to 100,000 jobs.

These cuts also threaten pit closures and redundancies because of the reduced demand for coking coal in South Wales in particular. But the Kent, Durham, Scottish and Staffordshire coalfields could also be affected. Yesterday's strike decision is subject to endorsement by pithead mass meetings or ballots over the next two days, but this is considered no more than a formality.

Once the strike starts, Mr. Williams stressed the miners would seek to spread the action to other coalfields. "We shall move into areas where we know we have support," he said.

The stoppage would be called off only when they received undertakings from the TUC general council that it would take a more positive role in fighting the threatened job losses in the steel and coal industries.

Mr. Williams said he would have preferred to be taking action under the umbrella of the Wales TUC which, under pressure from TUC, has abandoned its March 10 deadline for industrial action against closures. "But we have been forced into a position where, if the steel workers go back, we will face closures in pits," he added.

MR. PHILIP WEEKES, National Coal Board area director, said of the executive decision: "This is madness and I would like to know who will bail us out this time. We have just had massive financial aid from other coalfields to help us save a large part of our market share.

"I am not interested in politics. I am interested in pits. Markets, jobs and prospects have never been more seriously threatened than by this single tragic act."

Chemical unions to meet BSC

NATIONAL OFFICIALS of four trade unions with members in the chemical industry will meet British Steel Corporation representatives in London next Wednesday for talks on pay and on BSC's withdrawal from the industry's national negotiating machinery.

The unions are the General and Municipal Workers; Transport and General; Amalgamated Union of Engineering Workers; and the Electrical, Electronic, Plumbing and Telecommunications Union.

BSC has already offered, on a local basis, a 7 per cent basic pay rise to BSC Chemicals' employees in Scotland, the North-East and Yorkshire. BSC Chemicals employs about 3,000.

"The corporation has totally mismanaged this issue, and I am afraid they will have to face it on Wednesday," said Mr. David Warburton, GMWU national industrial officer, yesterday.

Mr. Warburton accused BSC of having blundered its way into a problem in its chemical division for two reasons. "First they pulled out of the national chemical industry negotiations without either informing the Chemical Employers' Association or the union.

"Second they seek to impose a pay settlement on our members in BSC Chemicals on the same lines offered to steelworkers. This is unacceptable.

"BSC now find themselves in a situation in which they come into conflict with us on their attitude in chemicals as well as steel.

"They apologised to the Chemical Employers' Association on February 15 for failing to tell them that BSC was abrogating its commitment under the National Chemical Agreement. It was a unilateral decision."

A week tomorrow a national pay claim for chemical workers generally, expected to be about 20 per cent on the national minimum rate, will be presented to employers.

Top civil servants keep strike weapon

BY PHILIP BASSETT

SENIOR civil servants have rejected the idea which has been canvassed in Government circles of a no-strike clause. They believe the Government would be unlikely to give sufficient guarantee that it would honour existing pay agreements in return.

The rejection of the idea by the Association of First Division Civil Servants, which with a linked tax union represents about 10,000 senior Whitehall staff, including some departmental permanent secretaries, is an indication of the increasing belief among senior civil servants that industrial action has to be taken as a last resort in disputes.

It follows the unprecedented decision of the FDA executive last year to join other Civil Service unions in a one-day stoppage over pay, and a decision at the union's annual conference last year which cleared the way for further action.

FDA officials said yesterday the union was attracted by the idea of a no-strike clause and would give it careful consideration if it were seriously proposed by the Government.

But the Government would have to guarantee a fair deal on such matters as pay and unfettered arbitration. There would have to be a "reasonable expectation" that successive governments would honour such an agreement.

Whitehall sources said there would be difficulties introducing such a clause for only one of the nine Civil Service unions and that the Government might be unwilling to create an elite with cast-iron pay agreements, particularly from such a senior section of the Civil Service.

The rejection is contained in a discussion paper on industrial action drawn up by the union's executive in response to last year's action and in time for this year's annual conference.

While treading very carefully to avoid any accusations of taking precipitate industrial action or failing to consult fully union membership, the document does ally the union to the idea of action.

It is likely that amendments to the paper at the annual conference would dilute its thrust rather than give it further force.

It makes clear that the union will maintain its political neutrality and will not take any action for political purposes or in defiance of the law or in ways inconsistent with the TUC's guidelines on action.

Though FDA officials support the common approach towards industrial action being taken this year by the Civil Service unions following deep splits between them during last year's dispute, the executive states that the union will not be bound or pressured by other unions' decisions or actions.

The FDA is unique among Civil Service unions in that it has no power to instruct its members but only to advise them of what it sees to be the best responses.

The paper plots an "extremely sensitive" scale of different forms of action, rising from deputations to ministers, withdrawal of goodwill and finally to either selective or complete strikes. At each stage the union recommends different forms of consultation with members.

A total strike for one day or less should, if time permits, only be called after a ballot wherever possible. A strike for more than one day could only be called after a ballot.

The paper also rejects the idea practised by some Civil Service unions of a separate strike fund drawn from increased membership subscriptions.

● The Society of Civil and Public Servants said yesterday that evasion of VAT payments was costing the economy as much as £750m per year. The elimination of this would be equivalent to a 10 per cent reduction in the present VAT rate of 15 per cent.

Water workers say No to 19.2% rise

BY PHILIP BASSETT, LABOUR STAFF

WATER WORKERS in the National Union of Public Employees have narrowly rejected a pay offer of 19.2 per cent. The offer will in any case be improved today in pay talks between the four unions involved and the National Water Council.

The NUPE rejection, which covers about 10,000 manual workers in the water supply and sewerage industry, follows that of the majority union in the industry, the General and Municipal Workers'. Two other unions, the transport and agricultural workers, are expected to follow suit today.

The 19.2 per cent offer was rejected by 52.1 per cent (4,163 workers) to 47.9 per cent (3,821). The result of the ballot was presented to the union's Water National Committee yesterday. Union negotiators were advised to obtain further improvements in the package at today's talks.

Though the rejection was much closer than the overwhelming vote of the GMWU last week against union recommendation, much of the voting toward it was complete before the GMWU delegate conference made its unexpected decision.

Since the lead to reject the offer was given by the more moderate GMWU members, voting in the NUPE ballot and in those of the other unions swung against accepting the package.

The closeness of the vote will be seen by the employers' side as an encouragement before the pay talks resume today.

The threat of a strike from Monday by GMWU members has been deferred pending the meeting's outcome.

Mr. Ron Keating, NUPE assistant general secretary, said that the committee had further discussed industrial action after it considered the vote, but would await the result of resumed negotiations.

The improved offer which he expected to be tabled today would have to be put out to the membership again before any deal was struck.

The most likely option for the council to take up in today's talks is to backdate a payment for comparability with the gas and electricity industries, which would add about 2.2 per cent to the offer.

The negotiations will be influenced by the fact that workers in the main union in the gas industry, one of the water workers' two "comparators," have rejected their negotiators' recommendation to accept a pay package worth about 17 per cent.

Call for action to defend UK car industry

By Our Labour Staff

MR. ROY GRANTHAM, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, has called on the Government to defend BL and the entire British motor industry against unfair competition in the home and export markets.

In a letter to the Prime Minister, Mr. Grantham attacked Government policy for penalising BL through the maintenance of high interest rates.

He also called for immediate talks with Spain about "prohibitive" duties on car imports which resulted, he said, in only 300 UK car exports to Spain, compared with 50,000 Spanish car exports to the UK.

Mr. Grantham also complained about the Government's failure to tackle car dumping from Eastern Europe and its acceptance of "opaque if not ambiguous" agreements with Japan on limiting car exports.

New offer may end London docks strike

By Our Labour Staff

A REVISED pay offer, said to be worth 14 to 15 per cent, raised hopes yesterday of an end to the strike at the London Enclosed Docks by the weekend. The strike is more than a week old.

Strikers in the Riverside wharfs who were brought out in sympathy are expected to return to work today following the proposals.

The offer, which was jointly recommended by the London ports negotiating committee, has to be formally accepted by local leaders in the National Amalgamated Stevedores and Dockers Union before a mass meeting of dockers tomorrow.

The offer gives a £12 minimum pay increase to all grades with a 12 per cent improvement in bonuses and allowances. Striking members of the Transport and General Workers' Union ended a mass meeting yesterday without voting on the latest terms, but the union is expected to call an early ballot on the offer if it is accepted by members of the stevedores' union.

Walker wants EEC to keep butter subsidy

BY IVOR OWEN

DETERMINED EFFORTS to secure EEC agreement to the continuation of the special UK butter subsidy — currently worth 13p per pound — were promised by Mr. Peter Walker, the Agriculture Minister, in the Commons last night.

He envisaged another prolonged exercise in hard bargaining and hinted that final agreement on the 1980-81 farm prices proposed by the EEC Commission may not be reached until June.

Mr. Walker, with strong support from both sides of the House, underlined his determination to concentrate attention on the need to reduce the massive expense borne by taxpayers in disposing of food surpluses.

He stressed that the special

WALKER: Tough negotiations.

butter subsidy, which brings a net benefit of £75m a year, was at least one small way of helping to remedy the injustice which Britain suffers under existing EEC budgetary arrangements.

Mr. Walker said he had told his colleagues at the EEC Council of Agriculture Ministers in Brussels on Monday that since Britain is by far the largest net contributor to the Community budget, it had a special concern to see that the cost of the Common Agriculture Policy was brought under control.

He had protested that the Commission's own proposals would produce only a relatively small overall saving on the estimated budgetary cost of the CAP, and this would only be achieved by the raising of substantial additional revenues through the proposed levies on milk.

Amid cheers Mr. Walker emphasised: "I said that firm price restraint was necessary, particularly for those commodities in structural surplus, including milk, sugar and wine.".

Dealing with milk, "the main problem commodity," he complained that the Commission's proposals were intended to prevent further surplus, and would do nothing to tackle the level of the existing surplus.

In calling for a plan to achieve a steady reduction in all surpluses, he had also opposed the exemptions from the co-responsibility levy on milk, which would discriminate against the UK, as well as the Netherlands and Denmark.

Mr. Roy Mason, Labour's Shadow Agriculture Minister, recalled that last year Mr. Walker had failed to maintain his original stance in support of the EEC Commission's proposal that there should be a general freeze on prices.

Pressing for an assurance that the Minister would not give way again, Mr. Mason insisted: "You must be as tough this time as the French have been against you on lamb."

To Labour cheers, he declared: "British consumers and taxpayers now want a total freeze on prices, an end to subsidised food mountains and a promise that the CAP will be reshaped to give us a better deal."

Mr. Walker accused Mr. Mason of adopting an extraordinary attitude for someone who had been a member of a Cabinet which had agreed to a rise in every price at every EEC price fixing.

Last year's price negotiations, which were concluded after the election of the Conservative Government, had been the first from which Britain had emerged with a price advantage.

Mr. Tony Marlow (C., Northampton North) warned that many people in Britain were "fed up" with seeing vast amounts of money being spent on food surpluses produced by richer countries in Europe.

He believed that there was a real risk that a majority, including a large number of MPs, would want to follow the French suggestion that Britain should become an associate member

Mr. Walker replied that there were a number of important political and economic factors which made it very important that Britain should remain in the EEC.

Callaghan rejects 'rolling manifesto'

By Elinor Goodman, Lobby Staff

Mr. James Callaghan, the Labour leader, yesterday rejected calls on the party's home policy committee for the introduction of a "rolling manifesto" as a means of ensuring that the Parliamentary leadership was never able again to steamroller its manifesto proposals through the national executive committee at the last minute before an election.

At what was for the most part a friendly meeting between the Shadow Cabinet and the national executive, Mr. Anthony Wedgwood Benn and Mr. Eric Heffer proposed that in future a draft manifesto should be drawn up each year by the NEC, after consultation with the Parliamentary party, and then put to the annual conference for approval.

The present system of writing the manifesto, they argued, was totally unsatisfactory.

The home policy committee's proposals would rob the Parliamentary leadership of its effective veto on the manifesto and could, in the view of Mr. Callaghan's supporters, mean that the party could enter Government with manifesto commitments which it could never carry out.

Last year's party conference passed a motion giving the NEC the final say on the contents of the manifesto and instructing the executive to come forward with detailed proposals for discussion at this year's conference.

The party's commission of inquiry will come up with its own recommendations on the subject. But parallel to the commission's discussions, the NEC's home policy committee is drawing up its detailed proposals.

The NEC agreed to defer discussion on the question until the home policy committee had discussed it with the shadow Cabinet.

At yesterday's meeting, Mr. Callaghan agreed that there might be scope for more consultations between MPs, and perhaps candidates as well, about the contents of the manifesto, but he urged the NEC not to press ahead with the proposals. The shadow Cabinet, he said, would not "give up its constitutional right."

Mr. Callaghan was strongly supported by Mr. Denis Healey and though some other members of the shadow Cabinet agreed that some modifications in the present system of finalising the manifesto might be desirable, it was clear from yesterday's meeting that the two sides were still very far apart.

Some members of the executive felt afterwards that the shadow Cabinet's attitude on this issue illustrated the need to strengthen the Left's representation on the commission of inquiry and to replace Mr. Alex Kitson, who withdrew from the committee last month.

'Freeing Scottish industry to get on with its job'

BY JOHN HUNT

THE POLICIES of the Government will improve the Scottish economy by setting industry free to get on with its job and satisfy its customers, Mr. George Younger, Scottish Secretary, told the Commons last night.

He accepted, however, that it was the duty of the Scottish Office to do everything it could to assist firms in trouble to weather the storm and achieve a viable future.

His remarks, made in the opening speech of a debate on the Scottish economy, brought a swift retort from Mr. Bruce Millan, Labour's Scottish spokesman.

Mr. Millan maintained that the economic situation in Scotland was the gloomiest he had known since becoming an MP.

Disastrous

He said there was not a single thing in Mr. Younger's speech which gave any encouragement to the unemployed in Scotland or those who would lose their jobs there in the near future.

Everything the Government has done in the last nine months had made the situation worse, he argued. The Secretary of State did not seem to have the least inkling of the disastrous effects of Government policies north of the border.

YOUNGER: Duty to help companies.

But Mr. Younger told the House that the previous Labour Government's handling of the economy had been "disappointing and disastrous for Scotland and unemployment had doubled there during its years of office."

He accused the Labour administration of merely having poured in more and more public money until it nearly "bust the back" of the Treasury. Labour had ignored all the advice that had come from industry, chambers of commerce and the CBI.

Balance

Mr. Younger explained that the aim of the present Government was to concentrate regional policy on those areas of greatest need and unemployment and "to create real jobs and not phoney ones."

The future depended on changing the economic balance in Scotland by encouraging the productive and wealth-creating sectors and allocating a higher priority to them.

Mr. Younger emphasised that the Government had been determined to put the finances of the Scottish Development Agency on a more realistic footing. Despite expenditure cuts, the agency still had significantly more to spend in the present financial year in real terms than it had ever succeeded in spending before.

Whitelaw relaxes immigration rules

By Richard Evans, Lobby Editor

MR. WILLIAM WHITELAW, Home Secretary, has introduced minor relaxations into new immigration rules published yesterday in a bid to meet criticism from the Opposition, immigrant organisations and some Tory backbenchers.

Under the new provisions, which will come into force on March 1, there will be an absolute right of entry into the UK for a husband or fiance of a woman with UK citizenship who was born here, or one of whose parents were born in Britain.

The previous intention had been to allow the Home Secretary to exercise his discretion, but following protests in a Commons debate before Christmas, Mr. Whitelaw gave an undertaking that the provision would be relaxed.

It will remain the case, however, that a husband or fiance will be ineligible to enter the UK if the marriage is contracted primarily in order to obtain admission. It will have to be judged a genuine marriage or engagement.

Expense

In a further relaxation, the rule that requires elderly parents or grandparents to prove that they are living "substantially below" the standard of living in their own country as well as being dependent on their children in Britain is to be removed.

If they are over 65 their children will need only to be able to support them in Britain without public expense.

Other changes include a lifting of the ban on wives and children of students working while in this country. Dependents of skilled foreign workers will also be allowed to work here.

The upper age limit for entry by au pairs and those on working holidays has been raised to 27, compared with 25 in the original plan. The new rules do not need the approval of Parliament before they come into force, but a resolution objecting to them can be put down in either House within 40 days.

Foreign aid rules changed

BY JOHN HUNT AND DAVID TONGE

THE Government came under attack in the Lords yesterday when it announced that it was changing the criteria on which overseas aid is allocated. It also hinted that, in real terms, this aid will be cut.

The changes were announced yesterday by Lord Carrington, the Foreign Secretary, and in the Commons by Mr. Neil Marten, Minister for Overseas Development. They said that a review on overseas aid had now been completed by the Government and that greater weight would be given "to political, industrial and commercial considerations alongside our basic developmental objectives." Particular emphasis is to be given to Commonwealth countries.

Lord Carrington added: "We would like to see we get something in return because we have a considerable economic problem here at home. The reality is that we really must cut our money that e give to overseas countries according to the resources we have. We cannot afford to pretend we are a rich country." But Baroness Llewelyn-Davis described the proposals as causing "great anxiety" and accused the Government of planning to cuts its aid to India and Bangladesh by one-third.

They warned that British commitments to international agencies and bodies would absorb a larger proportion of the British aid programme over the next few years. In 1978 multilateral aid accounted for 25 per cent of Britain's gross aid programme of £728m. The Government plans to "look critically" at such aid and hopes to increase the unallocated margin in the aid programme so as to be able "to respond more effectively to new developments where our political or commercial interests

Explaining the changes, Mr. Marten admitted to a Press conference that the commitments inherited from the previous Government left the present Government little room for manoeuvre. He claimed that putting more emphasis on political, industrial and commercial considerations would not necessarily be at the expense of other factors.

Asked if the changes proposed were compatible with the recommendations of the Brandt Commission's report, he replied "I daresay they conflict." However, he amplified the Government statement that the West would suffer if it slid towards protectionism by saying that he hoped he would not see increased tariffs during the term of the present Government.

He also stressed that the greater part of British aid is tied to procurement in Britain though he argued that British firms were not obtaining their share of contracts given by multilateral institutions.

'Lack of post-election plans' for Rhodesia

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CALL for the reconvening of the parties to the Lancaster House conference to discuss the "difficult and dangerous" situation that will follow the Rhodesian elections was made in the Commons yesterday by Mr. Peter Shore, Labour's foreign affairs spokesman.

But it was not taken up by Sir Ian Gilmour, Deputy Foreign Secretary, who avoided giving a direct answer to the suggestion.

Under further pressure from Mr. Shore, however, Sir Ian confirmed that some discussions are going on about the post-election situation.

At the same time, he did not disguise the fact that the Government had so far failed to come up with a satisfactory formula to cover this problem.

"Of course there have been discussions on a difficult and sensitive problem and I would be deceiving the House if I said a complete solution had been found — there isn't one," Sir Ian went on. "There has been considerable consultation. We must hope things turn out not too badly."

Sir Ian listed breaches of the ceasefire arrangements so far. A total of 13 had been attributed to the security forces, 23 to Mr. Nkomo's ZIPRA guerrillas, 11 to the area in which ZIPRA had operated, 93 to Mr. Mugabe's ZANLA forces, 35 to the ZANLA area of operations, 17 to bandits with Patriotic Front weapons and 15 unattributable.

During the Commons exchanges there appeared to be a widening gap between the two sides of the House over the way that Lord Soames, the Governor in Rhodesia, and the British Government were handling the internal situation there.

Sir Ian said that Mr. Shore should be more even-handed in his remarks and noted a persistent tendency by the Opposition to find fault with the Governor's administration.

Mr. Shore snapped back that the Opposition deplored all breaches of the ceasefire by any party. Sir Ian, said Mr. Shore, should not be so sensitive and touchy about proper questions on the behaviour of the Rhodesian police and military organisations who had defied this country for 15 years.

Mr. Shore maintained that the Governor was still being hampered by lack of independent information. He urged the Government not to take any measures that would excite the strong suspicions of partiality which already existed. Better use should be made of the Commonwealth observer force, particularly at the polling stations.

Mr. David Steel, Liberal leader, wondered whether the monitoring force needed further reinforcements. But Sir Ian pointed out that it was there to monitor and not to prevent intimidation.

Mr. Julian Amery (C. Brighton Pavilion) asked if it was true that at least 4,000 to 5,000 of Mr. Mugabe's guerrillas were still in the bush, and that Mr. Nkomo was holding a similar size of reserves across the Zambesi River.

"Doesn't this represent a threat of intimidation to the holding of free and fair elections?" he asked.

The Minister told him it was impossible to estimate the number of Patriotic Front guerrillas who had not assembled. But certainly the estimate of Mr. Mugabe's forces still at large was not wide of the mark.

There was a contrast between what had gone on in western areas of Rhodesia and what had happened in the east. Mr. Nkomo's ZIPRA forces had concentrated and there were few incidents in the west. But a large number of guerrillas in the east had not assembled.

This produced very considerable intimidation. Every single party other than Mr. Mugabe's ZANU (PF) party had complained of intimidation.

Small business 'needs incentives'

BY ELINOR GOODMAN

THE Government has been warned by its own supporters that small businesses will not be able to expand and provide the extra jobs needed to compensate for those shed by big companies without special incentives.

Meeting with Sir Geoffrey Howe the Chancellor of the Exchequer, the chairman of the committees representing small business interest within the Tory party argued that without a very substantial boost to incentives the unemployment problem could not be met by the small busines sector. Mrs. Margaret Thatcher believes the sector should provide the "seed corn" of Britain's economic revival.

The Conservative small business lobby wants specific measures to help small companies.

In particular it believes that investment in small companies should be made tax deductible and that the Government should introduce a new guarantee loan scheme for small businesses. The scheme would be similar to that available in countries where small companies play a far bigger part in the economy. The committees envisage that it would be self-financing and only apply to three-quarters of any loan from banks.

Industrial injury scheme reviewed

BY ERIC SHORT

THE role of the Industrial Injuries Scheme within the Social Security framework is examined in a discussion document* published yesterday by the Department of Health and Social Security.

It follows the report in 1978 of the Royal Commission on Civil Liability and Compensation for Personal Injury, which recommended a number of changes to the scheme.

The document raises a number of questions but provides the answer to only one. This is whether a special scheme is needed to compensate persons injured at work. It decides that it is necessary.

But the document considers there is scope for reviewing the scheme's structure, particularly if it should be extended to cover the self-employed, accidents outside the UK, and accidents on the way to and from work.

**Industrial Injuries Compensation—A Discussion Document. Copies of the document and a summary can be obtained free of charge from Mr. M. A. Francis, DHSS, Room 516, Keysign House, 429 Oxford Street, London W1R 2HT. Comments to the same address by December 31.*

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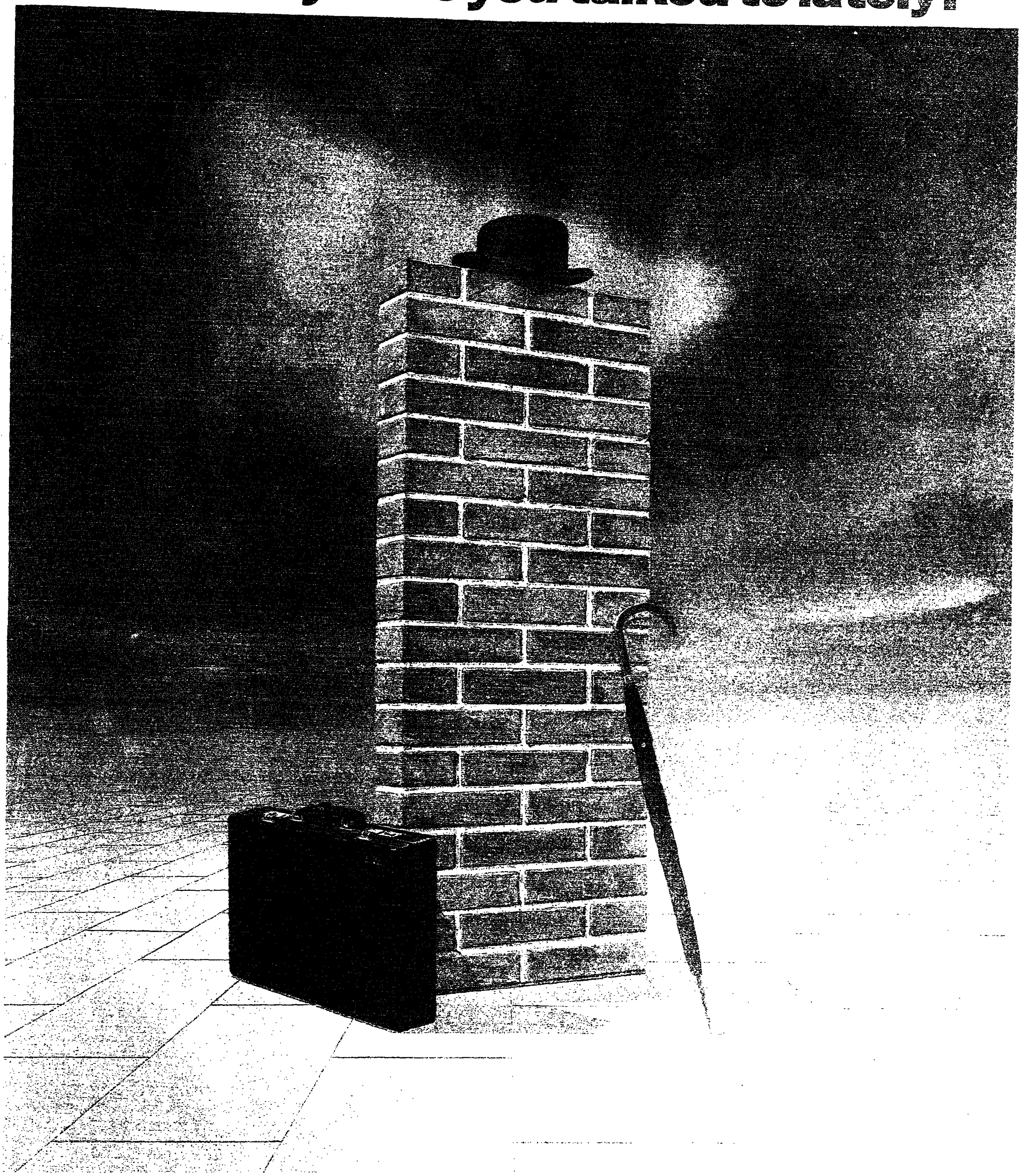
Financial Times

How many have you talked to lately?



If you're the boss of a small company, you probably know the picture only too well.

It's the sort of thing you come up against when you're trying to raise money:

"Come back in a year when it's off and running and we'll have another chat."

"Now, if it was £30 million you wanted..."

"We'd really like to be able to help you Mr...er...Mr..."

Fortunately, there's one place that really understands small companies and their problems.

That place is the Industrial and Commercial Finance Corporation.

Over the last 34 years, we've helped many a good idea become a commercial reality.

Offers of anything from £5000 to more than £2 million have been known to be very useful.

So has our experience.

After all, you don't spend all your time in the company of small businessmen without learning what makes them tick.

Which is why you'll find us much less of a barrier.

ICFC

INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION LIMITED. ABERDEEN 0224 53028. BIRMINGHAM 021-236 9531. BRIGHTON 0273 23164. BRISTOL 0272 292081. CAMBRIDGE 0223 62126. CARDIFF 0222 34021. EDINBURGH 031-226 3885. GLASGOW 041-221 4456. LEEDS 0532 30511. LEICESTER 0533 25854. LIVERPOOL 051-236 2944. LONDON 01-928 7822. MANCHESTER 061-833 9511. NEWCASTLE 0632 815221. NOTTINGHAM 0602 47691. READING 0734 861943. SHEFFIELD 0742 664561. SOUTHAMPTON 0703 32044

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Captures and stores the rapid event

UNDOUBTEDLY one of the most advanced transient waveform recorders to be offered to date—and designed in the UK—the DL1080 from Data Laboratories has two channels of storage, six recording modes, a cassette back-up store and a number of other facilities made possible by microprocessor control, including remote operation by a computer.

Used in free standing or remote mode, it is a powerful waveform acquisition and measurement instrument for one-shot and low repetition rate events. It is designed for applications such as electrical breakdown tests, explosive and pressure vessel investigations, impulse testing, high-speed reaction chemistry and wherever the exact nature of a rapid event needs to be seen.

This instrument simultaneously digitises and stores waveforms at sample rates up to 20 MHz in two channels, each store consisting of a 4000 x 8 bit static random access memory. Selection of recording parameters such as sweep time, trigger levels, and input sensitivity are achieved by knob control rather than buttons with the object of giving an "analogue feel" to the unit.

Of the six recording modes which include the usual delayed sweep and "look back in time" pre-trigger modes, there is a useful facility which allows one channel to "zoom in" at high sample rate on an interesting segment on the other channel.

Contents of both channels can be displayed simultaneously as analogue traces on an oscilloscope. Alternatively a chart recorder can be connected in which case the unit provides writing area calibration and optimises transfer to the paper.

DL1080 can also remember what it has been doing after the mains is removed: a pair of memories is provided which will keep two complete sets of front panel settings—the user can always return to these stored values. Similarly, up to 14 complete records of waveforms can be stored on the cassette together with file identification and recording conditions. These traces can be loaded into the channel solid state memories on command, from where they can be accessed as analogue or digital signals in the usual way for external use.

An important facility is that all the front panel functions, such as input sensitivity, sample rate, mode selection and so on are completely programmable by an external control unit. A suitable interface means that the DL1080 can operate on the IEEE 488 bus, making it compatible with a growing number of bus controllers, desk-top computers and digital processors. The instrument can also operate on serial data transmission systems employing RS232/V24 protocol. When fast transmission of stored data is essential the unit can also provide a direct memory access (DMA) facility.

More from the company at 28 Wates Way, Mitcham, Surrey CR4 4HR (01-640 5321).

GEOFFREY CHARLISH

● DATA PROCESSING

Data from disc systems

A NEW high-density 6400 bpi cartridge tape drive capable of storing over 16 Megabytes of unformatted information is announced by Sintrom Electronics.

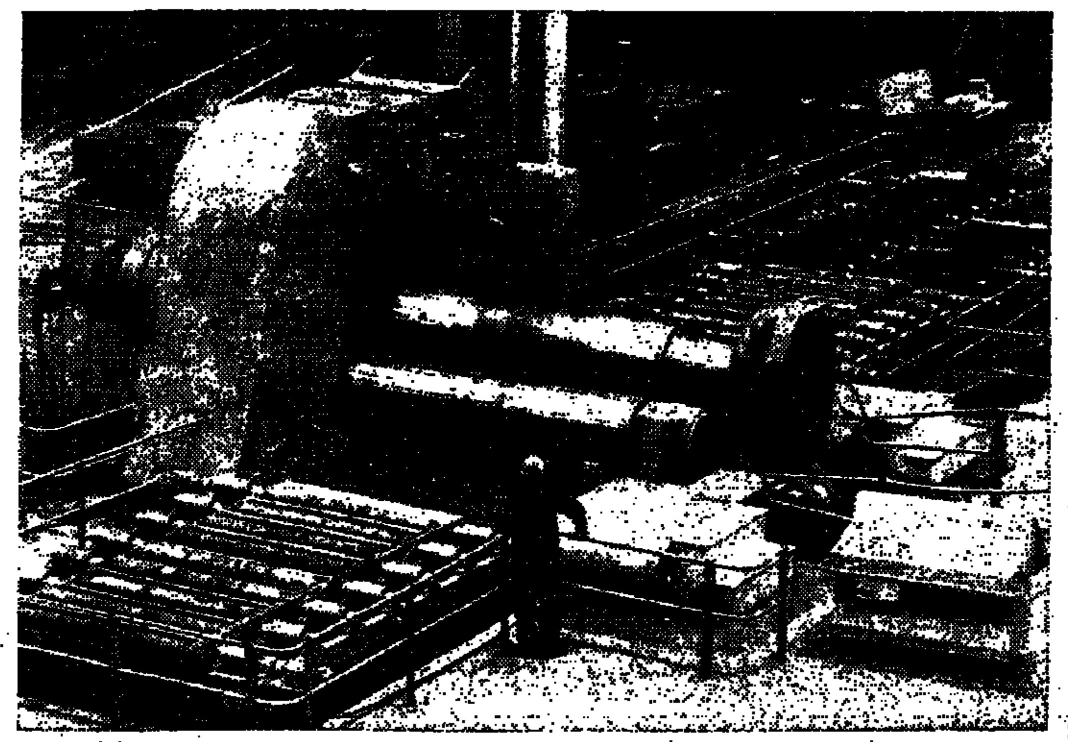
The Perex Peristore HD 6400, designed and produced in the UK by Sintrom's manufacturing subsidiary, Perex, has been designed to provide an effective low-cost back-up to Winchester technology closed disc drives.

A major application of Peristore is for the safe dumping of data from such drives. Data is transferred to and from the drive at 192K-bits per second and is recorded on four serial tape tracks.

A die-cast chassis incorporates a gimbal-mounted motor that permits the drive to be located in any position or attitude and yet retain correct capstan pressure. This also provides immunity to shock and vibration in any of the three axes.

Sintrom Electronics, Arkwright Road, Reading, Berks. 0734 85464.

This hydraulic plate bending machine is now in operation at the Thornaby Works of Head Wrightson Teesdale, a Davy Corporation Company. Costing over £600,000 the installation is part of a £2m investment programme. The four roll machine, built by Verrina S.p.A. of Genoa, Italy, is capable of cold rolling 3050 mm wide plate up to 129 mm thick and will hot roll plate 200 mm thick. Its main role will be in the production of high pressure heat exchangers, vessels for the petrochemical and chemical industries and thickwall tubular work for offshore oil production.



● MATERIALS

Wear-resistant steel plate

METAL service organisation, Plascut, has signed a UK marketing agreement with the Australian company, Vida-weld of New South Wales, for the latter's range of Vidaplate hard-wearing material.

Vidaplate is a highly wear-resistant, chromium carbide clad, mild steel plate produced by a bulk welding technique. It is used as a lining in dump trucks, for the teeth of shovels and earth moving buckets and is fabricated into chutes, hoppers and vibrating feeders used in mines and quarries.

The material has an extremely uniform high carbide distribution which gives an improvement in wear resistance of 30:1 over mild steel and 12:1 over heat-treated alloy steel. Hot abrasion performance is equally impressive, giving an improvement ratio of 20:1 over mild steel at 600 degs C in applications such as ore chutes in steel mills.

Vidaplate can be cut with an abrasive saw and profiled by Plasma-arc or powder cutting processes. Plascut can offer either part-processed items or fully-finished fabrications.

In addition to Vidaplate, Plascut can supply other wear-resistant materials, including manganese steels and hard elastomer polyurethanes produced by an associate company, Plascut Urethanes. This latter material is becoming increasingly important in hardwearing applications within the steel making, mining, water and process industries.

Plascut, Holmes Lock Works, Off Steel Street, Holme, Rotherham, South Yorks. 0709 73531.

● TEXTILES

Dyeing long 'tubes' of fabric

IN ADDITION to dictating couture trends, fashion designers also create demands for certain fabrics which, although firing the imagination of the consumer, can produce big headaches for textile manufacturers.

At the moment, terry fabric is very popular and apart from its ubiquitous exhibition in tracksuits, casual wear, and overall outer-garments for infants, it is becoming popular for upholstery.

This material may start by being knitted with one plain surface and the other surface having loops—rather like a terry towel. For reasons of knitting efficiency and economy, the fabric is made on a circular knitting machine and emerges as a long tube with a circumference usually of about 1½ metres.

It then goes through a series of dyeing and finishing processes and is slit along one length in order to be converted to flat fabric for delivery to garment manufacturers and fabric retailers.

The problems encountered in producing the desired colours of the material occur between the terry tube and its flat fabric form—especially when it comes to the dyeing process.

Because of the looped or pile finish, it is necessary to obtain consistency of shade by dyeing the fabric on the inside, which necessitates the fabric tube being turned inside-out . . . this can be done by taking, say, a boat hook and a length of drainpipe, plus the efforts of an assiduous operator who will pull the edge of the material through the pipe to achieve the desired stage preparatory to entering the dyer.

Boat hooks and drainpipes are cheap and readily available—unlike labour—and a 1980's solution has been suggested with an Italian machine, called Sperotto RP1, specially designed to obviate this costly turning process.

This looks like a gun turret on a destroyer and uses an airstream created by an integral fan and controlled by pneumatic valves which works to carry the fabric on the outside of the "gun barrel" then draws it through the tube to deliver it into a barrow in a closed chamber. As an option, the machine can be fitted with special air intakes and outlets to avoid turbulence and dust.

Although the fabric speed is said to be impressively high, the concept of the airstream method avoids stretch and surface disturbances of the material and obviates any need for "nip rollers" which put pressure on certain fabrics.

The machine is available in the UK from Sperotto, 10 Bridgford Road, West Bridgford, Nottingham (0602 862156).

DEBORAH PICKERING

● HAND TOOLS

Can opener for the handicapped

A ONE-HANDED operated can opener for the disabled has been designed and developed as part of a collection of aids for the handicapped and is being made for a market trial by Metal Box, Queens House, Forbury Road, Reading (0734 581177).

A simple but highly effective vice is fixed to a working surface so that the clamp acts as a strong and secure "hand" able to grip any item from a food can to a loaf of bread.

The can-opening device itself is operated by "leaning" on a handle to produce a series of overlapping slots in the top of the can.

Short, metal, plastic-covered pegs with a special locking device are fixed in the vice to hold the can firmly, and these can be adjusted to cope with all sizes of cans.

The all-purpose clamp promises to cope with a variety of jobs which may presently defeat the handicapped, and the special spanner/bottle opener for tightening the vice is ideal for levering open polish tins, crown corks, vacuum sealed jars and ring pulls.

Even difficult luncheon meat and sardine cans with metal keys can be successfully opened with the tool, and more inspired uses include potato-peeling, cheese grating, omelette whisking and the opening of stubborn paint tins.

● MATERIALS

Laminates for food products

WADDINGTONS of Gateshead has entered the extrusion-coating/laminating business using extrusion coating polymers from DSM Polymers.

It has produced printed paper / poly / foil / poly and printed paper/poly/pvdc laminates and coatings for Carnation Foods.

For the latter's hot chocolate sachet, the laminate is a two colour gravure paper print with an overall heat resistant varnish laminated to aluminium foil (eight micron) with low density polyethylene and the aluminium foil coated finally with a LDPE heat-seal layer. The lines are run at 92 sachets/minute.

Another product is packed at 90 per minute in a laminate made up of a one-colour gravure print with heat-resistant patterned varnish extrusion coated with LDPE, which is further coated with polyvinylidene chloride.

Extrusion-coated paper in production ranges from LDPE, white pigmented LDPE to HDPE on one or two sides on various types of paper. The food grade LDPE used is Stamylan 3400C.

Waddingtons of Gateshead, Factory E106, Princes Way, Team Valley Trading Estate. 0632 822811.

● HANDLING

Lays cables and pipes

DEVELOPMENT of a cable laying machine which can lay submarine pipes as well as cables has been announced by Dowty Boulton Paul of Cheltenham, Glos. (0242 21411).

The machine was built in conjunction with Norson Power, a Dowty associate company, in Glasgow, and it will be delivered in March, 1980.

It will be used in a servicing ship for laying communications links, and power cable control systems around wellheads, and will have the ability to lay undersea pipes up to 16 ins in diameter. It has also been designed to permit the retrieval of cables and pipes from the seabed for repair.

Norson Power undertook the heavy engineering involved in the manufacture of the new machine, and Dowty Boulton Paul produced the hydraulic power packs and the complete hydraulic system at its Wolverhampton factory.

● TRANSPORT

Insensitive to octane changes

IT IS quite possible that before long, availability of the required octane number petrol to suit one's vehicle may not be something to be automatically assumed, particularly in lesser developed countries.

Saab-Scania has therefore developed Automatic Performance Control (APC) which will allow its turbocharged engines to run on octane ratings between 91 and 99 without prior adjustment. A reduction of 8 per cent in fuel consumption is also claimed together with an acceleration performance boost of 20 per cent.

The company's designers have ruled out ignition retard systems actuated from engine block temperature sensors, where "knocking" (which raises the temperature) retards the spark. Chief engine designer Bengt Gadefelt maintains that these systems impair efficiency, increase fuel consumption and reduce exhaust valve life.

In the Saab design, the knock detector is still fitted to the engine block but it sends its signal to an electronics box which controls a solenoid valve that varies the charging pressure to the turbocharger. This "black box" also receives signals from a pressure sensor on the intake manifold and can exactly balance the charging pressure.

Thus, if low octane fuel is used the engine will tend to knock earlier than with high octane, the sensor will open the valve to reduce turbo charging pressure, the load on the engine will decrease and knocking will stop.

Saab claims that the fuel will always be utilised 100 per cent, resulting in improved performance figures.

Series production of engines with this system will start in about one year's time.

Saab (Gt. Britain) is at Fieldhouse Lane, Marlow, Bucks SL7 1LY (06284 6997).

THE MARKETING SCENE

How TV strike hit brand sales

THE DAMAGE to advertisers caused by last autumn's ITV strike has been measured by the D'Arcy-MacManus & Masius agency, which put 96 brands in 26 different product fields under the microscope, writes **Michael Thompon-Noel.**

Overall, the 96 brands showed an average net volume sales loss during the strike of 4.5 per cent, and an average net loss in brand share of 2.4 per cent. The 36 brands that had spent more than £100,000 (MEAL) on TV advertising in the same period in 1978 showed an average sales loss of 8.7 per cent during the 1979 strike period; those that had spent less than £100,000 suffered average sales losses of 2 per cent.

The agency says the strike provided its researchers with a "unique opportunity to assess the effects on advertised brands of the withdrawal of TV support."

According to its operations research director, Andrew Roberts: "Advertising works, and, without it, the sales and market share of branded goods suffer. Even within the ten weeks of the strike, brand profits were reduced. In the long term these losses will have become significantly larger for those advertisers who failed to make good the shortfall in advertising expenditure."

The amount the 96 brands "saved" by not advertising on TV during the strike was £9m; their sales losses are estimated at £25m.

Mr. Roberts says the losses are a genuine reflection of the effect of the strike, and not of other circumstances. First, the market share of the advertised brands fell; second, sales losses were greatest for brands and product areas that saw the largest cutbacks in advertising.

"Neither result is likely had the sales losses been the result of extraneous circumstances."

The home truth

ADVERTISERS AND their agencies are feeling sorry for themselves. After the setbacks of last autumn's ITV strike the opening weeks of 1980 have brutally shown just how little influence they are able to bring to bear on decisions affecting the future shape of UK broadcasting.

According to Roy Langridge, media director at J. Walter Thompson, the advertising business should have realised that in spite of public meetings and research surveys, very little was likely to change in terms of the current structure of ITV-1.

"Why should it? There seems very little criticism of the present ITV structure from anyone other than advertisers and agencies, and since they have chosen the fourth channel as their battleground, what could we have expected?"

A recent estimate that a UK breakfast TV franchise would be worth £40m to £50m a year in advertising revenue is dismissed by Mr. Langridge as "pure rubbish." He says a figure of £5m, at current prices, is far more likely.

Although a deaf ear has been turned to advertisers and agencies who have tried to convince the Home Office that the *ITV-1* contractors *should* not sell advertising on the fourth channel, he says that "strong lobbying may still be possible."

As for reports that some Ministers, and even some ITV companies, would like to see the fourth channel delayed because of the business climate: "The danger is that the project is likely to be abandoned forever. We believe it is imperative that the new channel opens as soon as practically possible."

● **NET TV** advertising revenue *last month was £43.1m, against* £29.55m in January last year.

● **GRANT ADVERTISING,** part of Y and R, has won the Standard Chartered Bank account, currently worth £500,000.

Imports, rhetoric and the Battle for Britain

Few importers are dumpers or bullies. In the midst of BL's Buy British fiesta, Michael Thompson-Noel describes the Zanussi success story

BL IS CERTAINLY hitting home with its "Battle for Britain" campaign, the one that seeks to shame us all into buying home-made products. The ads have raised welts on the midriffs of importers, even if it is far too early to take a look at sales.

"Make no mistake," runs the campaign's clarion prose. "Britain is fighting a battle all right. It is being fought in our own homes.

"British manufacturers are fighting for a proper share of *the domestic market for goods* and products. And we're in danger of losing the battle partly through our own indifference and apathy . . . We're too busy looking down our noses at ourselves and our products."

The first advertisement in the series carried details of import penetration levels among selected domestic appliances. Twenty-one per cent of cookers are now imported, as are 45 per cent of automatic washing machines, 61 per cent of toasters, 69 per cent of fridge/freezers and 99 per cent of dishwashers.

In the midst of BL's Buy British fiesta, it takes an utter rotter to write about imports, but it can be instructive, so I will volunteer. Let us take Zanussi, which is *making* very fast headway with imported domestic appliances. Last year, under the Zanussi brand name, it sold 270,800 refrigerators, fridge/freezers, freezers, washing machines, tumble dryers and dishwashers for a 6.5 per cent market share in those sectors, where total sales were worth £630m. It also sold approximately 200,000 units via own-label production for names such as Hoover, Hotpoint and Electra. This year, under the Zanussi brand name alone, it plans *to sell 427,400 units for* an estimated 11 per cent market share.

Put another way, UK sales under the Zanussi brand name should reach £52m in 1980 against £32m last year. Is it a dumper and a bully? Is this the unacceptable face of the import equation? Not at all, says Zanussi.

"First and foremost," says George Dorman, the managing director of Zanussi UK, "we're a European company and we behave responsibly. It is neither in the interests of Zanussi nor its markets to throw its weight around."

Zanussi is the second largest privately owned industrial company in Italy after Fiat, and Europe's largest white goods manufacturer. Group turnover last year was approximately £550m, 75 per cent in domestic appliances, 12 per cent in electronics, the remainder mainly in catering equipment, components and pre-fabricated housing. Zanussi produces 4.5m domestic appliances a year.

In June, 1972, when it decided to establish a subsidiary in Britain, it prophesied that it would be selling a total of 500,000 appliances by 1976, a target it easily achieved, mainly via private label production for Hoover, Electrolux, Frigidaire and the electricity boards' Electra brand.

By 1975 it was anxious to reduce its UK dependence on own-label production and establish the Zanussi brand name as a major force in its own right. Its motives were of course, profit, pride and self-protection.

Zanussi says its cardinal aim is to offer product quality, service and reliability, above all, value for money. "Value for money" is at present the rallying cry for all sorts of jumped-up merchants and their *marketing chiefs, but in* Zanussi's case it clearly knows what it means and means what it says, as evidenced by the fact that its fridges are computer-designed for individual markets. It eschews gimmicks and showy innovation.

Servicing? It has 102 service centres whose alleged main problem is severe lack of work.

Distribution? Last year it opened a major warehouse in Cherbourg, which can stock 30,000 appliances. Supplies are then ferried to Poole. Eventually it is possible that Zanussi will open a manufacturing plant *in Britain. Early on, it courted* the UK retail independents and department stores, but as the operation has grown, it has widened its range. (Electricity board showrooms account for 19 per cent of sales in the markets that concern Zanussi; the multiples and discount ware*houses also have 19 per cent* each; the independents still have 15.)

Pricing? Zanussi says it pitches its retail selling prices at 5 per cent either way of the market leaders. "We're no dumper," says Mr. Dorman. "No-one has ever accused us of that. Across Europe we have sought to maintain credibility on this most crucial of fronts."

Advertising? This year, Zanussi is spending approximately £2m via Geers Gross, whose campaign theme is "The *Appliance of Science."* The theme is designed to pave the way for the introduction of Zanussi goods that offer "computerised cooking, washing and *refrigeration." and, when the* time is right, its move into other product fields, such as TV and hi-fi.

This year, Zanussi hopes to extend its UK market share in refrigerators from 2.5 to 4.2 per cent, its share of fridge/freezers from 13 to 24 per cent, and its share of freezers from 5 to 9.5 per cent. It hopes to sell 11.3 per cent of all washing machines, against 7 and 20 per cent of dishwashers against 17.3 *per cent.*

Compared with this sort of market aggression, the BL campaign may be thought to pale. "The British customer is just about the only one in the world who actually seems to prefer to buy a foreign product, rather than one made at home," said *another advertisement* in the series on Tuesday.

It is going to take a lot more than rhetoric to forestall Zanussi.

Pontinental's brave new formula

BY ROBYN WILSON

THE HEADLINE in the local paper in Torremolinos said it all: *Hotel Has 900 Guests In* Winter.

A year ago the fact that the *1,100-bed Pontinental Hotel had* an 82 per cent occupancy rate in the middle of winter would not have rated a three-line filler. That it is now headline news indicates the depth of the depression currently settling over Spain's Costa del Sol. Many hotels along the once-*golden mile of Torremolinos are* reporting occupancy rates of as little as 20 per cent. One 1,400-bed hotel recently had exactly 17 guests.

Spanish tourist authorities are understandably reluctant to reveal the extent of the decline—the only statistic currently available is that landings at Malaga Airport are 17 per cent down—but Association of British Travel Agents spokesman Christopher Spray estimates that in terms of numbers of holidays booked the Spanish holiday market is probably around 20 per cent down on last year. Thomson Holidays, UK market leader in Spanish winter holidays, says *that market research it commis*sioned recently revealed that UK travel agents had sold 25 per cent fewer holidays to Spain this winter, but added that its own figures were only 4 per cent down.

Faced with these negatives, most UK tour operators trimmed back their Spanish programmes—Thomson, for instance, by 6 per cent—and switched their attention and *their customers to other destin*ations.

But for Pontinental it wasn't that easy. Unlike most of its competitors who rent their beds on a contract basis depending on forecast demand, Pontinental actually owns those beds.

"We have a £4m investment in Spain. We couldn't do what all the other tour operators are doing and switch our programmes to other destinations, *we had to fill those beds in* Torremolinos or go out of business. There was no question of selling the Costa de Sol hotel—who would want to buy it, given the current state of the market," says Peter Smith, Pontinental's managing director.

Smith had been faced with *similar challenges in his two* previous marketing roles. At Mecca he had to fill an empty Lyceum, at EMI he had to turn the Blackpool Tower around. In both those cases the solution had been to re-vamp the product. "I looked at the Spanish problem and decided that if people didn't like the product as it was we would have to change the product. They wouldn't go to Spain this winter just because it was Spain, so we needed to offer them Spain, plus something extra." A new, improved-formula Spain, in fact.

His solution was to organise a grand Metditerranean Open darts championship as a means of filling those empty beds—an ingenious idea which meant *that Pontinental was able to tap* a large new reservoir of winter holidaymakers. "I needed a sponsor to put up the prize-money," he says. "I thought before I approached any of the traditional sports sponsors like the cigarette companies I would see if Coral was interested." (Coral is the Ponentintal parent.)

Chris Fife, Coral Leisure's group promotions manager, certainly was. "It's perfect targetting as far as Coral Leisure is concerned. Darts players are our market—they go to betting shops and their wives play bingo," says Fife. As well as the £2,000 at stake there was an extra incentive for the UK darts players. The winner of the men's singles, which carried a £400 cash prize and a Pontinental Holiday for two, would win the right to challenge the current world darts champion John Lowe, and in the event of a victory double his prize money.

With Coral putting up the cash, the only real outlay for Pontinental was flying the champ and his wife out to Torremolinos for a week. "In terms of promotional spend it was an extraordinarily cost-effective exercise. We did no advertising at all. Darts World, *which has a circulation of* around 35,000, ran an editorial piece on it and 550 people signed up."

"*Next year,*" *promised one of* the sport's officials, "we'll have 1,100 here for the 2nd Mediterranean Open—the hotel won't take any more. Our members feel they are getting a really good deal—a holiday in Torremolinos that would cost them £250 if they came in *July, for only £110,* and a week of what they like doing best, playing darts."

For Peter Smith, watching with pleasure as "the punters" stood shoulder to shoulder at the Pontinental nightclub's bar (average weekly bar spend per guest was estimated at £50), it *was proof of his theory that the* world is full of giant minority groups.

"From now till July, when the high season *starts* and we'll be full anyway, our room rate won't drop below 70 per cent. Apart from a couple of hundred *pensioners who are spending the* winter with us it will all be affinity groups. We have just put in a football pitch and in the next couple of months we will have dozens of UK football clubs here for winter training. We have installed an athletics track and weight-lifting room and now we have athletes from all over Europe coming for winter training. We are currently laying six bowling *rinks*—bowls is a giant minority group and it's a great market when you look at the leisure time and the disposable income of most bowlers I've just signed up three groups of 300 ballroom dancers for next November.

"The only group we aren't catering for are golfers. You have to take one person in every eight off the plane to allow for the weight of the clubs. Full planes are just as important as full hotels in keeping the cost of the package down."

JOBS COLUMN, APPOINTMENTS

Foreign-bank rate • Poly marketing chief

BY MICHAEL DIXON

"YOU SEEM to think there's something unusual about people from abroad opening banks in London," said the male voice on the other end of the telephone, referring to an item in the Jobs Column a fortnight ago.

I had to confess that I did. After all, I am acquainted with dozens of foreigners not one of whom has to my knowledge ever opened a bank in London, or anywhere else for that matter.

"Well, in that case, I'll send round some figures for you to look at," replied the voice, which turned out to belong to Noel de Berry, managing director of the Noel Alexander consultancy which specialises in international banking.

Having now seen the figures I can appreciate why Mr. de Berry sounded initially as though he were talking to a simple rustic. For it appears that, over the past 10 years, foreign banks have been opening in London at an average rate of one every 15 days.

What is more, they did nothing but arrive here until 1974 when, although the new openings reached a record 32, one foreign bank went away again. The following year there were 11 departures against only 14 arrivals. But since then there have been 115 openings, and a mere 17 closures, leaving London with 355 foreign banks at the end of last year compared with 141 a decade earlier.

By sending these figures, Noel de Berry cunningly perspaded me that there was really nothing unusual either about his consultancy's being in the market for seven recruits on behalf of various banks in the City of London. He may not name any of these clients but, of course, promises not to identify any applicant who so requests to the employer concerned until permission is given.

Inquiries about any of the offers should be made, quoting the reference, to Hans Wessel at Noel Alexander Associates, 70, Queen Victoria Street, London EC4N 4SJ; telephone 01-248 2256, telex 8812703. I gather that he is not a man to be shocked rigid by being told that in some instances the salary quoted is unrealistically low, which to my mind is probably just as well.

The first of the City-based jobs, with an international bank of European origin, is a case in point. It urgently needs a head of computer services aged from the mid-20s but with sufficient data-processing experience, preferably in banking, to lead and develop the DP department which is about to transfer from IBM system 32 to system 34, using Midas software. But there's hardly a golden touch about the quoted starting salary: negotiable from £8,000. I suspect the bank will have to be prepared to negotiate upwards by £2,000 or even £3,000. Reference S503.

The second, quoted at £10,000-plus, is for a trust officer cum portfolio manager to be responsible to the investment chief of an international bank—again of European origin—for the management of clients' investment portfolios and the marketing of investment services. Experience in similar field required; age range 28 to 40. Reference S502.

A similar, if not the same, bank requires a head of loan documentation to be responsible to the chief of the international department for ensuring that "the documentation of the bank's loans is of the highest quality and therefore that the bank has good protection." Candidates should be aged 25 upwards, know Eurocurrency banking practices and be used to working with external lawyers, be more concerned to detect what is missing than to criticise what's there, and be able to say no and stick to it. But the salary specification is rather less definite—"£10,000?" it says. Ref. S501.

Next comes an American merchant bank seeking someone aged 28 to 35 with experience in a similar bank's corporate finance department since either graduating or qualifying as an accountant. As corporate finance officer, the newcomer will be responsible to a director for providing appropriate specialist advice to clients. Fluency in French and German would help. Quoted salary: "from £12,000." Ref. S497.

The fifth opening is for two people to be responsible to the syndications director of an American merchant bank for finding opportunities and making arrangements for syndicated bank loans. Aged 29 to 35, they will be entitled assistant directors and will need at least three years of similar work in an international bank of merchant or consortium variety. Here competence in Spanish as well as French would be useful. Salary about £15,000 plus profit bonus. Ref. S504.

The last City-based job from Noel Alexander is for someone with experience in project-finance gained in banking, engineering or management consultancy to assemble project-finance "packages" for clients of a U.S. bank. Age 30-plus. Salary £15,000 to £20,000. Ref. S499.

Lanchester

THENCE to Coventry, where David Spurrell, formerly an industrial manager, is head of the department of business studies at the Lanchester Polytechnic. His domain there apparently includes 22½ teachers, but I gather that only 21½ of them currently exist because he is looking for a principal lecturer in marketing.

The department teaches about the structure and organisation of business, the management of materials, and finance and accounting, as well as marketing. And about 500 students are enrolled on its courses.

These include a one-year foundation course in accountancy, and a two-year full-time and a three-year part-time course each leading to the higher award of the Business Education Council. But the main programme, which accounts for about half of the students, is for a BA in business studies in which three years of college studies are "sandwiched" with two six-month periods of practical experince in a company.

The new principal lecturer will be responsible for supervising the practical training of the BA students who choose to specialise in marketing. Mr. Spurrell says he is impressed by the responsibility of the practical work they are given—brand management, control of merchandising, management of supplies and stores, and so on.

Meanwhile, back at the poly, the same newcomer will be responsible not only for lecturing, but also for developing marketing as a subject and the associated teaching material, and for carrying out research and consultancy work to boot.

With the Government's (in my view, generally justified) economies in educational spending, promotion prospects in higher education are tending to become fewer and farther between. So I have little doubt that a good many people already working in polytechnic business studies departments will have a keen eye on the Lanchester principal lectureship.

Even so, I have equally little doubt that David Spurrell would prefer to import someone with practical experience of marketing in business, provided that at some time he or she obtained a degree or the equivalent preferably in a subject with some relevance to management. Candidates would also be helped by experience of research or constultancy, and they will need to put in some thought on the way marketing could best be developed as a subject so as to improve the practical as well as the intellectual skills of the polytechnic students.

"The salary range is £7,680 up to £9,639," Mr. Spurrell says, "but we are all waiting for the Clegg Commission to report after the end of March, which should push it up a bit. There are no "fringes" like a car or private medical insurance to act as additional bait, but the pensions are linked to inflation."

Application forms are obtainable from him at Lanchester Polytechnic, Priory Street, Coventry CV1 5FB. His telephone number is 0203 24166 extension 411, and the poly's telex number is 31469.

Barrister or Solicitor

Oil Industry

Continental Oil Company Limited, part of the world-wide international energy group, is seeking to appoint a Barrister or Solicitor to join its London-based Legal Department which is responsible for legal advice and services to Conoco's European subsidiaries.

The position embraces a wide variety of activities which reflect the extent of Conoco's business interests in Europe.

The successful candidate, male or female, will have a correspondingly wide experience base gained within a commercial environment.

A competitive salary will be offered and there are the usual benefits expected from a major international organisation, including a non-contributory pension plan.

Please telephone or write for an application form to:

Mike Rayburn, Personnel Manager,
Continental Oil Company Limited,
Park House, 116 Park Street, London W1Y 4NN.
Tel: 01-493 1235

CONOCO
CONTINENTAL OIL CO. LTD.

SENIOR PORTFOLIO MANAGER

Substantial growth in Pension Funds under Management provides an opportunity for a Senior Portfolio Manager to join the Investment team in a major U.K. merchant bank.

Applications are invited from candidates aged 28-36 who have acquired a minimum of 5 years investment experience, including some discretionary fund Management, not necessarily in Pension Funds.

Reporting to the Pension Funds Investment Director, the successful candidate will be responsible for the efficient and profitable discretionary management of a number of large pension funds worth a total in excess of £50 million.

The ability to make sound investment decisions and to advise Trustees in a persuasive and authoritative manner is important.

Initial salary negotiable to £14,000 + car. Other fringe benefits include low cost house mortgage facilities, non-contributory pension, free life assurance, free BUPA.

Please write in strict confidence, enclosing a curriculum vitae, and with a note of those companies to which your application should not be sent.

To Box No. A704,
Financial Times,
10 Cannon Street,
London EC4P 4BY.

COMPANY SECRETARY

c. £12,000 + CAR + EXCEPTIONAL BENEFITS

THE COMPANY—PPP is a rapidly growing company in the provision of private health insurance.

THE JOB—Based in Tunbridge Wells and reporting to the Financial Director the Company Secretary will be responsible for a wide range of legal and administrative duties. In addition to statutory secretarial duties the person appointed will act as legal officer and have overall responsibility for personnel matters and property administration.

THE REQUIREMENT—Applicants should have considerable previous commercial experience. They should be conversant with the legal problems of insurance companies and be experienced in modern personnel management techniques and general company administration. Applicants should be chartered secretaries or be legally qualified.

THE REWARDS—Salary c. £12,000, car, pension scheme, free PPP and advantageous mortgage arrangements.

ACTION—Please write or telephone *for an application form* to the financial director at the address below:

Private Patients Plan
Eynsham House, Crescent Road, Tunbridge Wells, Kent TN1 2PL
Telephone: Tunbridge Wells 26255
PROTECTS

Business Management Manager

c. £11,000 + car

Mercedes-Benz (UK) Limited is a wholly owned subsidiary of Daimler-Benz AG which manufactures a wide range of high quality cars and commercial vehicles. The Company, based in West London, is looking for a Business Management Manager to report to the Director Operations.

The main function of the job is to develop the Business Management Consultancy Service which is offered to the car and commercial vehicle dealer networks. An additional important responsibility will be to advise top management on subjects such as network viability and new dealer appointments.

Applicants, male or female, aged over 30 years, should be either qualified accountants with experience in the Distributive industry or Managers experienced in the motor trade with sound knowledge of financial business practice and franchise development.

Salary is negotiable. Excellent conditions of employment include a Company car.

For an application form please contact Mrs. P. Sage, Personnel Department, quoting ref. FT/291, Mercedes-Benz (UK) Ltd., Mercedes-Benz House, Great West Road, Brentford, Middlesex TW8 9AH. Tel: 01-560 2151.

Mercedes-Benz

Controller (Property)

Central London
around £15,000

A major UK property group seeks a deputy for the financial director of its management company. The post will encompass all aspects of financial management, with particular involvement in management development, planning, systems liaison and development of management information. There is considerable flexibility on salary.

Ideally, candidates should be qualified accountants aged around 35 with relevant financial/commercial experience either within a group with property interests or in an audit role. The maturity and presence to communicate well with advisers, senior technical management and the commercial world is equally important.

For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet these requirements, quoting 7050/FT. Both men and women may apply.

John Courtis ...and Partners...

Business Analyst

Attractive Salary + Fringe Benefits

Our client, a major International merchant bank, has identified the need to add O.R./Financial Analysis skills to its Business Systems function.

The Job: Reporting to the Business Systems Manager, you would be expected to develop user orientated facilities for balance sheet analysis and consolidation as well as maintaining a small library of existing O.R. programs. A summary of current and planned project work within the business systems group has been prepared and will be sent to interested applicants.

The position offers an ideal opportunity for a capable man or woman to extend the application of management science and related techniques towards the development of effective financial reporting systems.

Applicant Profile: Aged 27+ with proven experience *in the design of financially based management information systems*, plus previous involvement in the *modification of computer packages.* Whilst the in-depth technical skills of a systems analyst are not *called for, a sound appreciation of the principles of* computer systems design are essential, together with *a working knowledge of Basic or a related programming language.*

Additional Information: *Salary is negotiable in line* with experience, but will not be a restrictive factor. *Employee benefits include mortgage subsidy and* non-contributory pension.

To Apply: For an early meeting with our client, you are in the first instance invited to telephone J.E.P. McSweeney on *Steeple Morden* (0763) 852851 for a confidential preliminary discussion. Alternatively, write to him *for a job specification and career assessment form* at Prospect Recruitment, Prospect House, *Guilden Morden, Nr. Royston, Herts. SG8 0JS.*

PROSPECT RECRUITMENT

GROUP MANAGEMENT ACCOUNTANT

THE GROUP

The Ellerman Group which is based in the City, is a major British company with interests in Shipping, Transport, Travel, Brewing and Insurance.

THE JOB

Reporting *to the Group Financial Controller*, the *Group* Management Accountant will be responsible for the consolidation of all monthly accounts and the preparation of cash flow forecasts. He/she will also be expected to make recommendations on the basis of the management information being worked on and will be required to spend some time with the divisions helping to improve the quality of their management *information systems.* In addition, the incumbent could be involved in training managers in financial management skills.

THE PERSON

The successful applicant will be a qualified accountant in the age range 28-35 years with at least five years' experience in industry, *preferably in a large professionally managed* company. Experience gained both at corporate level and operating company level would be an advantage. It is anticipated that the successful applicant will spend approximately two years in this role before moving to a suitable position within one of the operating divisions.

It is unlikely that anyone currently earning less than £10,000 per annum would have sufficient experience for this position.

Candidates should apply to:
Pauline Wyatt-Ingram
Personnel Manager
ELLERMAN LINES LIMITED
12/20 Camomile Street
London EC3A 7EX

ELLERMAN

Kemp-Gee & Co.

Members of The Stock Exchange

are seeking a

TOBACCO ANALYST

The successful applicant would initially work with the partner responsible for Tobacco Industry research, but would be expected to assume responsibility for the sector and to develop additional individual specialities as part of a team covering other industrial areas. Some experience of consumer industries would be desirable, but this is not essential as a sound general financial knowledge and clarity in written and verbal presentation are the more important requirements. Career prospects are good and remuneration, including profit-sharing, will be fully competitive.

Write, in confidence, to C. J. Clark, Kemp-Gee & Co.
20 Copthall Avenue, London EC2R 7JS

C&L

Manchester area **up to £15,000 + car**

EUROPEAN AUDIT MANAGER

The Company One of Fortune's top 500 companies with diverse operations in the energy, engineering products and chemical businesses. The group has an impressive record of profitable growth and worldwide sales now exceed $1,200 million per annum of which around $250 million are generated in Europe.

The Role To establish and develop an effective internal audit function in Europe with emphasis on both financial and operational auditing. Reporting to the Director of Internal Audit in the U.S.A. the man or woman appointed will be responsible for a small qualified staff. Prospects for advancement into senior financial management in about two years' time are good.

The Candidate A qualified accountant, probably *at manager level* in an international firm of accountants or in a well managed internal audit department of a substantial commercial or industrial group. Some experience of U.S. accounting practice would be an advantage and a second European language helpful. The position is based near Manchester but considerable European travel will be involved.

Résumés including a daytime telephone number to J. G. Cameron, Executive Selection Division. Ref. CF223.

COOPERS & LYBRAND ASSOCIATES LTD.
Management Consultants
Shelley House, Noble Street, London, EC2V 7DQ.

Taxation Accountant

Overseas Corporate Taxation
c. £9,000 p.a. + car

BL Limited currently have a vacancy for a qualified Accountant or A.T.I.I. with at least two years experience in UK corporate taxation and a wish to specialise in international tax. Knowledge of a European language would be desirable.

The main functions of the position, which is based in our *London H.Q. will be to assist the Overseas Corporate Taxation Manager in* controlling the fulfillment of tax compliance requirements of our overseas *subsidiaries, the preparation of computations for* UK holding companies and the computation of the consolidated tax charge for overseas operations. Involvement in international tax planning will grow with experience and any necessary training will be given.

The salary will be negotiable according to age and experience, other benefits include 5 weeks holiday, subsidised eating facilities, excellent pension scheme, and all the other benefits normally associated with a large company.

Please write with full career details, including salary progression To: ***Beryl Owen, Personnel Administration Officer, BL Limited,*** **35/38 Portman Square, London W1H 0HQ.**

BL Limited

Assistant Financial Controller

c. £12,500

A *major international manufacturer of fine* chemicals with world-wide operations seeks an *Assistant Financial Controller* for its expanding European activities.
The successful candidate will assist the Finance Director in work on acquisitions and other projects, and in controlling the finances and accounting procedures of existing and newly acquired subsidiaries. He or she will be responsible for implementing standard group accounting procedures as necessary. The appointment involves travel, mainly in Europe. Candidates should be qualified accountants aged 28-35 with several *years' industrial experience*. A working knowledge of Italian is required. Salary will *be negotiable around £12,500 and other* benefits include company car. Location: Central London.

Ref: AA3/7250/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

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Jonathan Wren · Banking Appointments

The personnel consultancy dealing exclusively with the banking profession

FUND MANAGER

Our client, a leading financial institution in the City, wishes to engage a senior Portfolio Manager.
The ideal candidate, aged around 30, with a degree or professional *qualification will have 2–3 years' fund management experience* with a merchant bank, stockbroker or insurance company. A broad range of *equity exposure is desirable and knowledge of Far Eastern markets,* though not essential, would be useful.
There is *an attractive renumeration package including mortgage* subsidy and an excellent non-contributory pension scheme.

Please contact PETER LATHAM

MARKETING MANAGER (Latin America) £10,000+ and car

Our client is a leading international export finance house with a worldwide business network and steady growth record.
An opportunity exists for a self-motivated person who has had experience of Latin America, preferably in a sales/marketing capacity (and not necessarily in the financial field). A knowledge of Spanish would be highly desirable.
The role would involve both the servicing of existing accounts and active business development. Based in the City, there will be approximately 4 months travel to Latin America per year.

Please contact KEVIN BYRNE

FOREX MONEY BROKER c£12,000

Due to expansion our client, a leading firm of money brokers, wishes to appoint a senior Deposit Broker. The ideal candidate will have had a *minimum of two years' experience in an active deposit broking environment.* Ambitious people with an energetic outlook are required *to work within this closely knit team. There are possible prospects of* overseas promotion. *Please contact BRIAN GOOCH*

First floor—entrance New Street
170 Bishopsgate London EC2M 4LX 01-623 1266

KINGDOM OF SAUDI ARABIA

Riyadh Al-Kharj Hospital Programme

Exceptional career opportunities for

Financial Specialists

in the Middle East

Allied Medical Group, management consultants to this major Hospital Programme in Saudi Arabia, can now offer a number of career opportunities to experienced Financial Specialists both at corporate and programme level.

The Hospital is fully established and operates along the lines of District General Hospitals in the U.K.; complete with sophisticated and up-to-date equipment, which includes comprehensive computer systems. The Programme is based on a large and continuing budget which is to expand even further in the near future. The opportunities for individual and career development within the financial field are therefore considerable.

We now need;

Budget Officer

Allied Medical Group

To obtain and marshal all the information from Department Heads needed to complete the Annual Budget and to interpret actual results measured against that budget. Directly responsible to the Finance Director, you will also be involved in improving budgetary and management information systems and assisting in ad hoc financial investigations. Given the wide-ranging nature of the work you should be a qualified accountant, aged 30 plus, with extensive experience of management accounting and budgeting/planning. Yours will essentially be a roving, functional role providing results through persuasion rather than through line authority and your financial ability shoud therefore be matched by an equally strong, out-going personality. Experience of health care budgeting control systems would be an advantage.

Quote Ref: AMG 1

Finance Officer

Ministry of Defence & Aviation Riyadh Al-Kharj Medical Programme

To direct and manage an established Accounts Division of over 20 staff. You should be a qualified accountant with considerable experience of preparing both multi-cost centre financial and management accounts, ideally within a labour-intensive industrial environment. Given the range and scope of your responsibilities, you will probably be in your mid-thirties or over, now seeking to further develop your financial acumen within a fresh and demanding senior position,

Quote Ref: RKH 43

Financial Accountant

Allied Medical Group

Directly responsible to the Finance Officer you will essentially be handling the preparation of statutory and other financial reports. Maintaining a collaborative relationship with Internal and External Auditors you will be involved in all aspects of day-to-day accounts work—from verifying computer input documents to producing quarterly accounts. You should therefore be a qualified accountant, over 25, with sound financial experience and now ready for a demanding medium to long term expatriate career.

Quote Ref: AMG 2

These are career appointments. Renewable contracts are offered in the first instance on a two-year basis.

Salaries per annum:	Budget Officer	SR 114,816
	Finance Officer	SR 129,168
	Financial Accountant	SR 95,680

(approximately 7.5 Saudi Riyals=£1)

The benefits package currently includes: tax free salary; excellent free furnished accommodation; extensive recreational facilities; free air fares; 4 weeks leave after completion of each 26 weeks service; a gratuity of one month's salary upon completion of each twelve months service; generous educational allowances and free health care.

For application forms please write quoting reference number to: F. D. Campbell, Manager Personnel Services, Allied Medical Group, 18, Grosvenor Gardens, London SW1W 0DZ. Or telephone our 24-hour answering service on 01-730 5339 (please quote appropriate reference number). All applications will be dealt with in the strictest confidence.

AM

Allied Medical Group

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GENERAL MANAGER

Advanced Office Systems

c £25,000

Have you...

- experience in marketing and selling electronic office equipment
- held the post of a general or divisional manager of a major international organisation including full profit responsibility
- been with a company offering technically sophisticated products
- a good knowledge of servicing and general support requirements within the Western world
- played an active part in formulating strategic plans
- and are you aged 40-55?

Then consider...

- an opportunity to manage one of the acknowledged UK market leaders
- which is part of a major international group
- where you will report directly to the Chairman
- have excellent opportunities for further development
- enjoy a salary which could be very substantial with attractive fringe benefits
- and be based in the London area

Please contact Ian Barrow on 01-487 4371 (24 hour live telephone service) for a preliminary confidential discussion quoting reference 8083, or write to 41 Gloucester Place, London W1

Young Accountant

SW1 **c £9,500**

A property investment group with substantial assets is poised for growth in the 1980's. A young man or woman is required to contribute to the successful financial team and the group's future expansion plans. Location is London SW1.

Reporting to the Financial Controller, there is to be a strong emphasis on annual budget preparations and subsequent monitoring. Besides additional routine accounting functions, there will be opportunities to contribute to project appraisals. Specific reports will be seen at main board level.

Age is expected to be under 30. A highly professional accountant is required who can interpret trends as well as pay considerable attention to detail. Preference will be given to those who have already passed examinations leading to ACA or ACCA—or who are nearly qualified.

The remuneration package is to be planned around a salary of about £9,500 pa for ACA or ACCA's. Other benefits are to include subsidised light lunches and a non-contributory pension. Prospects of increased responsibility will depend upon performance.

Applicants should telephone or write, in confidence, for an application form quoting reference 1301.

Roland Orr
Management Consultant
35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

Finance in the 1980's

Opportunities exist to join the Finance Team of one of the country's leading Pharmaceutical, Agrochemical and Fine Chemical manufacturers, all growing markets. Our worldwide sales in 1979 were nearly £160 million and we have ambitious plans for the 1980's.

Considerable effort is being expended in ensuring our systems are capable of withstanding the pressures a Company of our size demands.

Our resourcing need is for Accountants – ACMA, CA and ACCA – with sound technical expertise, coupled with flair and much creative energy.

Terms and conditions of employment are not constraining factors – for the right men and women. Obviously, we include in this, relocation assistance.

Please write or telephone (01-592 3060, Ext. 2504) for an application form, the first stage in arranging an interview, to:

M&B May & Baker

Alan Fell, MSc, ACIS, Head of Employment Department, May & Baker Ltd, Dagenham, Essex, RM10 7XS, quoting Reference No. FT/1.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Managing Director

Electronics

Northern England, £20-25,000+benefits

For a company operating internationally in specialised markets now poised to expand substantially its electronics interests. Prime responsibility is for the profit performance of several geographically dispersed businesses in which there is considerable growth potential. The second requirement is to acquire and integrate viable companies operating within the appropriate technology. Degree qualified candidates will have sound technical knowledge gained within the electronics industry and must have demonstrated general management and financial strengths in a position of profit accountability for a medium size industrial company or group.

G.T. Walker, Ref: 42272/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **NEWCASTLE: 0632-27455,** *4 Mosley Street, Newcastle-upon-Tyne, NE1 1DE.*

A PARIS BANK

REQUIRES IMMEDIATELY:

—Loan Administration Clerk
for the administration, reporting, control of loan documentation, interest accruals.

—Accounting Clerk
for the administration of foreign exchange trading and funding operations.

—NCR-32 Machine Bookkeeper
with basic knowledge of accounting.

—Import-Export Clerk
experienced in the international trade and local practices.

—Assistant General Services Clerk
for the purchase/administration record keeping of stationery and supply and maintenance of equipment and premises.

—Teller/Cashier
also experienced in preparing and processing inward and outward remittances.

—Receptionist/Typist

Salaries offered are attractive.

Write Box A.7049, Financial Times 10 Cannon Street, EC4P 4BY

Managing Director c. £13,000 + bonus

Light Engineering East Midlands

Burgess Products Company (Holdings) Ltd, a well established British Group of light engineering companies, requires a Managing Director for a wholly owned subsidiary pleasantly situated at Hinckley, and employing about 100 people in the manufacture and marketing of acoustic and thermal insulating ceiling systems and other products. The man or woman appointed will be responsible to the Group Board for the profitable operation of the company and for the further development of its business in both home and overseas markets.

Candidates should have progressive management records over 8 or more years in a light manufacturing engineering environment, including a period of profit responsible general management requiring the successful co-ordination of production, marketing and financial functions and the fostering of good working relationships at all levels. Leadership and a certain entrepreneurial instinct in the development of existing and new products and markets are important; an engineering degree and some knowledge of contracting and the construction industry would be valuable. The preferred age range is 35 to 45.

A starting salary of around £13,000 will be negotiated; other benefits include a bonus scheme, a car, pension/life assurance scheme and good relocation assistance.

Men and women should write in confidence or telephone (24 hour answering service) to Mark Lomas for a personal history form quoting reference L/232/7.

The P-E Consulting Group Appointments Division PE
1 Albemarle Street, London W1X 3HF Tel: 01-499 1948

Exciting New Opportunity in Foreign Exchange

A highly respected commercial organisation in the Middle East which has expanded its business operations to include Financial Services and related activities requires an experienced Foreign Exchange Dealer. This newly created position will function as part of a team of professional Financial Executives who will head up a new Foreign Exchange commercial venture. Applicants should be in their late 20s or early 30s and fully conversant with all aspects of Foreign Exchange and deposit activities, with a minimum of three years' experience in an active trading room. Candidates must be self-starters and able to work under pressure in time-sensitive circumstances. Dealing experience in the Middle East would be an advantage, as would a working knowledge of international economics.

The company is noted for its impressive record of growth and high professional standards. It enjoys an outstanding reputation in the financial community, domestic and international, and offers a stimulating and challenging professional environment and career opportunity.

This is an excellent opportunity to participate in and influence directly the growth and success of an already well-established, large and profitable business, as well as a new foreign exchange business venture. This position also affords an exceptional compensation opportunity for those who qualify.

Full particulars including salary history and a passport-sized photo should be sent in confidence to:

Personnel Director, G. C. Browne (Ref. YO58)
P.O. Box 5, Egham, Surrey, England

SENIOR MEMBER DEALER

MEDIUM SIZED INSTITUTIONAL FIRM REQUIRE MEMBER DEALER TO HANDLE INSTITUTIONAL BUSINESS BACKED BY HIGH QUALITY RESEARCH.

Write Box A.7056, Financial Times 10 Cannon Street, EC4P 4BY

International Leasing

Grindlay Brandts Leasing Limited, part of Grindlays Group, is expanding its activities internationally. We require an experienced leasing executive to take direct responsibility for the development of business in specific markets.

Based in London, the position will involve direct client contact, considerable travel and co-ordination within the Group overseas. The environment will be challenging, exciting and rewarding.

Candidates must have substantial experience in 'big ticket' leasing and show evidence of successful business development leading to the negotiation and closing of deals. A knowledge of tax, credit, accounting and the legal aspects of leasing are necessary. International experience and fluency in a second language would be an advantage.

The appointment could lead to a Directorship in the short term with five figure salary and an excellent benefits package.

Please write with full career details to:

Mrs. Anne Evans, Manager
UK Appointments,
Grindlays Bank Limited,
36 Fenchurch Street,
London EC3 3AS.

Grindlays Bank Limited

HENDERSON ADMINISTRATION LIMITED

require a Contract / Accounts clerk for Private Client department. Salary negotiable in the region of £5,000 with bonus scheme and other excellent benefits.

Please contact:
MR. J. E. BROWN
TELEPHONE 01-588 3622

A Small Export Company based in

HOVE SUSSEX

require an energetic person acquainted with all aspects of the export business; knowledge of Pharmaceuticals would be an advantage though not essential. This person must also be prepared to travel overseas on short visits to clientele. Salary negotiable. Reply together with curriculum vitae to: *Managing Director, Box A7039, Financial Times, 10 Cannon Street, EC4P 4BY.*

SOLD TRANSFER CLERK

We have a vacancy for a sold transfer clerk, preferably with several years' Stock Exchange experience.

In the first instance please telephone Mr. Walford, of Branston & Gothard, 01-236 [illegible]

EXECUTIVES
Over £10,000

Today is a good day for making a fresh start.
If your present job lacks:–
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Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

A DEMANDING APPOINTMENT OFFERING A WIDE MEASURE OF AUTONOMY AND OUTSTANDING CAREER PROSPECTS

FUND MANAGER

CITY — **£10,000 - £15,000**

LEADING MERCHANT BANK

We invite applications from graduates, or those with equivalent qualifications, aged 28-35, with not less than three years in the *discretionary* management of large international funds. A sound knowledge of world-wide equity and fixed interest investment is necessary and candidates must have particular expertise in Far East markets. The ability to work as a member of a highly professional team is required. The appointee will assist an Investment Director in the formulation of policies and, within the guidelines established, will enjoy complete discretion for the successful management of the funds concerned. Essential qualities are an agile and enquiring mind and good communication skills. Initial salary negotiable £10,000-£15,000, non-contributory pension, free life assurance, free family medical insurance and subsidised house mortgage facility. Applications in strict confidence under reference FM3969/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374.

SENIOR INVESTMENT ANALYST - FAR EAST
28-35

Our client, a major firm of stockbrokers, will shortly appoint a senior investment executive who will have specific responsibilities in a specialised area of the Far East. His/her responsibilities will include:

★ *Analysis of companies within these areas making use, where necessary, of* detailed material available from these markets.

★ Visiting companies connected with his or her research work. This will entail considerable OVERSEAS TRAVEL.

★ Discussing with major institutions investment ideas relating to the companies linked to the sector involved.

The ideal candidate should have had at least three years' experience in the investment world, ideally covering the relevant area. He/she should be articulate, enthusiastic with the ability to produce investment material and to discuss this to the high standard expected by our client. He/she will need to have the poise and confidence to talk to clients. The position offers a first-class opportunity with a firm that has a leading name within the investment world.

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West of London — **to £15,000 + car**

A major international publishing company, the market leader in several key areas, wishes to appoint a Financial Controller for its profitable UK operation.

Reporting to the Managing Director and supported by a substantial staff, the Controller's responsibilities will include accounting, cash management, data processing, credit control, and administrative functions. The roll calls for a contribution to overall policy and involvement in all commercial aspects of the company.

Candidates, aged 28-40, should be qualified accountants who can demonstrate commercial accounting experience and the personality to operate effectively at senior management level.

Please write in the first instance, to Colin Payne, giving concise personal and career details, under Ref. AB461.

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International Recruitment Division
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Telephone:– 01-828 9031

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UK Research

INVESTMENT ANALYSTS
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There is a marginal preference for analysts working in the electrical/electronics area but this should not discourage other candidates from applying.

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For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet these requirements, quoting 7049/FT. Both men and women may apply.

John Courtis and Partners

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The London Representative,
Bank of Bermuda (Europe) Ltd.,
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J.H.E. Davies. Ref: 37148/FT. Male or female candidates should telephone in confidence for a Personal History Form to:
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GSP
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Please telephone: 01-606 7431

"NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS"

THURSDAY 28th FEBRUARY 1980

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 28th February, 1980, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments."

Advertising rates will be £19.50 per single column centimetre. Special positions are available by arrangement at a premium rate of £21.50 per s.c.c. Copy date is Friday, 22nd February. For further details, including reprints of previous features, please telephone 01-248 4601 or 4864 (direct lines).

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LOMBARD

Mixed feelings about the SDR

BY DAVID MARSH

OFFICIALS from central banks and finance ministries around the world will be spending a good deal of time and effort over the next two months trying to set up an institutional scheme to boost the importance of the Special Drawing Right in world monetary reserves. Many of them are perhaps already asking themselves whether they should be devoting their energies to more profitable occupations. For the International Monetary Fund's plan for a substitution account, technically dubious in conception and bureaucratic in procedure, is starting to look like a cross between a white elephant and a red herring.

Exchange

The substitution account aims to "neutralise" excess world dollar holdings by offering central banks the opportunity to exchange part of their dollar reserves for SDR-denominated assets issued by the Fund. The idea was first put forward by the IMF several years ago but for a long time was put on ice. Apart from some political opposition, this was also because of the technical complexity. The IMF take in dollars (to be invested in U.S. Treasury securities) in exchange for a liability denominated in SDRs, so naturally runs a considerable exchange risk.

Interest however picked up over the past 12 months. The U.S. authorities—or at least President Carter's SDR disciple, the (now departing) Treasury under secretary Mr. Anthony Solomon—came to view the idea favourably as a means of taking pressure off the dollar. And the Germans also gave it support as a way of deflecting reserve diversification flows away from the Deutsche Mark.

The IMF annual meeting last autumn in Belgrade agreed that a study on setting up the account should be presented to the meeting of its interim committee in Hamburg in April. And Sig Pandolfi, the Italian Treasury Minister who is currently chairman of the interim committee, has agreed to promote the plan on a globe-trotting tour of Latin America and the Middle East.

In the meantime, however, there is cause for doubt whether the head of steam built up behind the substitution account may be starting to die down again.

First, with the U.S. current account improving and hard money men in the driving seat at the Fed, the dollar looks reasonably steady in comparison with the main alternative reserve currencies, the D-Mark, Swiss franc and yen. A period of dollar stability is theoretically the best time to bring about a reform of the reserve system. But the political will in the U.S. to carry it through may be melting away.

Second, the Germans are probably becoming less keen too. The Federal Republic is now running a current account deficit estimated at $11bn this year—and the Bundesbank is rapidly acquiring a deficit psychology. In a few months' time the German central bank may actually be encouraging diversification into the D-Mark—so long as it is through fairly long term investments—as a means of plugging the payments deficit and shoring up the currency. Whether an SDR account fits into this changed landscape is still far from clear.

Most importantly, the large reserve holders in the Third World—which have, after all, been the main diversifiers over the last few years—are unlikely to react at all enthusiastically to the Pandolfi mission. They are worried at the prospect that the SDR account will withdraw funds from the Euromarket and further stiffen borrowing conditions. They may not be satisfied with the interest rate or the liquidity of the proposed SDR assets. And they are unlikely to be pleased with the suggestion that the IMF should use its gold holdings to cover $/SDR exchange risk.

History

The substitution account might sound like a good idea for the long term development of the international reserve system. Unfortunately, the monetary history of the past 20 years shows that good long term ideas are normally overrun by the force of short term expediency before they get very far from the drawing board.

Multinationals at odds with Customs

BUSINESS AND THE COURTS

BY A. H. HERMANN, Legal Correspondent

TRANSFER PRICES, that is prices at which goods move between the companies forming a multinational group, are usually kept under a veil of secrecy. But they strike the daylight for a brief moment when, on crossing the frontier, the value of the goods has to be declared to the Customs. The European Court now seems to be kept busy by multinationals asking it to sort out their differences with national Customs authorities. Sandoz,* as reported here on February 7, was accused by the French of grossly inflating the prices of drugs which it supplied from Switzerland to its French subsidiary, thus syphoning its profits out of France.

Too low

By contrast, the Belgian Customs found that the Swiss subsidiary of the U.S. Caterpillar Tractor Company supplied its Belgian subsidiary with spare parts at prices too low to be true. The Customs marked the prices up, collecting about £1.5m in Customs duty in excess of what Caterpillar believes it should have paid.

The matter is somewhat complicated by the way in which Caterpillar's subsidiaries account for business. Caterpillar has a substantial establishment, with warehouses and over 640 employees, at Grimbergen in Belgium. This is a branch establishment of the Swiss subsidiary, S.A. Caterpillar Overseas, registered in Belgium, which keeps separate accounts, is subject to direct taxation in Belgium, and in all respects is treated by that company as a permanent establishment, both in terms of Belgian fiscal law and international agreements.

Grimbergen orders spare parts, either from the American parent company or from other subsidiaries; keeps a stock, and supplies them, either to distributors or directly to customers. The distributors have agreements with Caterpillar Overseas, and both distributors and customers pay directly to the Swiss company which credits Grimbergen's account. According to Caterpillar Overseas, it buys spare parts from the manufacturing companies in the group at production costs plus approximately half of the profit jointly achieved by Caterpillar Tractor and Grimbergen from sales to independent buyers. It declares these prices, plus the costs of delivery to Grimbergen, as the value of the goods for Customs purposes.

Belgian Customs uses a different method of calculation. Starting with the price charged by Grimbergen to distributors it deducts costs, delivery and warehousing within the EEC, and arrives at a price over 20 per cent higher. On this the import duty is imposed. Caterpillar has resisted this, and brought an action against the Belgian fiscus (State) in a Brussels court. In its turn the court sent a number of intricate questions to Luxembourg** to which the Advocate General Jean-Pierre Warner proposed simple answers last week.

Mr. Warner said that there was no doubt that, according to the explanatory notes issued by the Customs Co-operation Council under the Brussels Convention, a sale between associated companies may be taken as a basis of valuation. But he rejected Caterpillar's contention that this should always be so unless there was a specific reason against it. Accepting that the group profit was divided equally between Caterpillar Tractor (the U.S. parent) and Caterpillar Overseas, it still remained to be established whether, if the trading had been done at arms length, one of them would not have been able to secure a larger share of the profit. That was the question of fact the Belgian court had to establish to say whether the declared prices corresponded to prices ruling at the time "in the open market between a buyer and a seller independent of each other," as required by EEC Regulation 803/68.

Mr. Warner also agreed with the Commission that if the price paid could not be accepted as the basis of valuation, the value for Customs purposes might be determined on the basis of the prices charged by the importing subsidiary to its own customers. However, the method used for this by the Belgian Customs should be improved by taking into account an appropriate trade margin in addition to costs of transportation, handling and warehousing.

Since I reported on the Sandoz dispute with the French Customs, Sr. Francesco Capotorti, another Advocate of the European Court, has delivered his opinion. He went a long way in support of the French Customs, and said that it was free to reduce the declared price on the basis of a comparison with market prices, also taking into account Community imports from non-EEC countries, but not Community exports to such countries. He agreed with Sandoz that it was necessary to exclude from the comparison prices charged by State monopolies, and prices of imitation products if the product were protected by patent or trade mark rights. Imitations of unprotected products could be used for the price comparison if they are of the same quality. If such a price comparison would not solve the problem, national Customs authorities could ask the EEC Commission to help them to determine a normal value under the Brussels Convention—an advice hardly welcome to Sandoz in view of the attitude which the Commission has taken during the proceedings.

Talking of medicines, there is yet another complaint of obstacles put in the way of Dutch parallel importers in the European Court's pipeline. It continues the long series of Centrafarm cases in which, after removing obstacles based on patents and trade marks, the European Court obliged the Dutch Government to change its health regulations so as to enable a prallel importer to register the drugs he wanted to sell side-by-side with the distributor appointed by the manufacturer. However, the new Dutch regulations ask for a registration fee of some £250 plus £200 yearly, which is a sum bearable for the appointed distributor with a large turnover, or assistance from the manufacturer, but which makes imports unprofitable or impossible to another importer handling relatively small quantities.

Prohibited

This problem has now been submitted to the European Court by the Criminal Appeal Court in Roermond which is considering the case of Jacobus Kortmann† a medium-sized importer of pharmaceutical products prosecuted for infringement of the registration regulation by selling unregistered products. Mr. Kortmann's defence is that the Dutch regulation is not valid since it establishes a disguised restriction of trade prohibited by the EEC Treaty. Going by the previous decisions in the drugs field, one is tempted to guess that the European Court will agree with Mr. Kortmann.

** Case No. 65/79, Procureur de la Republique v. Rene Chatain:*

*** Case No. 111/79, Caterpillar Overseas v. Belgian State:*

† Case No. 32/80. Criminal prosecution of Jacobus Kortmann.

All cases pending before the European Court in Luxembourg.

The case for Sunday racing

RACING

BY DOMINIC WIGAN

AS READERS of past editions of Timeform's *Racehorses* are well aware, the content of the essays on some of the best animals to have raced in the previous season are sometimes used as a medium for commenting on some of the controversial issues in racing today.

One such issue brought up in *Racehorses of 1979*, which, I think, few would disagree needs looking into is the question of Sunday racing.

Leaving aside the obvious point that Saturday orientated sports followers not only have numerous other spectacles to follow in person, such as football (with its aggregate league following of around ½m spectators on that day), Sunday does, for other reasons, have serious claims to consideration for the introduction of horseracing.

The major points in favour of Sunday racing are, undoubtedly, ones that could be considered far from healthy by many. As far as the "anti-Sunday sports brigade" are concerned, Sunday racing would be another step towards further eroding the true observance of "Christianity's day of rest." Furthermore, in their view it would be another sop to their opponents' "god" Mammon.

Nevertheless, against that and the small but powerful backing that surrounds the laws of Sunday observance, it must be said that the introduction of racing on Sunday in this country would not only further boost the coffers of a nation through a reasonably painless source in terms of vastly increased betting levy, but it might also act as a valuable escape valve for the many who simply want to get out on a Sunday

Two or three thousand years ago, the Roman Senate agreed along the lines "Give the populace bread and circuses."

For a time it worked. More recently, Mussolini took the Italian people's minds off similarly troubled domestic waters, as his Government invested massively in entertainment facilities for the nation. A little far-fetched, perhaps, in this day, but again food for thought for Mrs. Thatcher

Returning to *Racehorses of 1979*, the 1,000-page book is available from appointed bookshops, or direct from the publishers—Timeform, Halifax, West Yorkshire HX1 1XE (£26, inc. post in UK).

WINCANTON

1.45—Professor Plum*
2.15—Uther Pendragon
2.45—Pollardstown***
3.15—Diamond Edge

TV Radio

BBC 1

† Indicates programme in black and white

6.40-7.55 am Open University (Ultra high frequency only). 9.00 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 2.00 You and Me. 2.15 For Schools, Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Bojan. 4.25 Jackanory. 4.40 Star Turn. 5.05 John Craven's Newsround. 5.10 Blue Peter.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Nationwide.
6.45 Olympic Grandstand.
7.40 Tomorrow's World.
8.05 Wildlife on One.
8.30 Watch this Space.
9.00 News.
9.25 Play for Today.
10.25 Question Time.
11.20 Weather/Regional News.
11.25 Kojak.
12.15-4.00 am Olympic Grandstand.

All Regions as BBC-1 except as follows:—

Wales—2.15-2.35 pm I Ysgolion. 5.55 Wales Today. 6.20-6.45 Heddiw. 7.40 Mickey Mouse Club. 8.00-8.30 Young Scientist of the Year 1980. 11.20-11.25 News and Weather for Wales.

Scotland—10.10-10.30 am For Schools. 12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 10.25 Current Account. 11.20-11.25 News and Weather for Scotland.

Northern Ireland—11.30-11.50 am For Schools (Ulster in Focus). 3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.25 Amateur Boxing (Ulster Senior Championships). 11.20-11.25 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University.
11.00 Play School (as BBC-1 3.55 pm).
4.50 pm Open University.
†5.40 Laurel and Hardy in "Thicker Than Water."
†6.00 Will Hay in "Where's That Fire?" also starring Moore Marriott & Graham Moffatt.
7.10 Mid-evening News.
7.25 Newsweek: More Power for the Police?
8.00 It's Patently Obvious.
8.30 Public School.
9.00 M*A*S*H.
9.25 Man Alive.
10.15 15th Cambridge Folk Festival.
10.45 Newsnight.
11.30 How To Score . . . A Movie with John Williams.
12.00-12.10 am Closedown.

LONDON

9.30 am Schools Programmes. 12.00 am Toppers Tales. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Together. 2.00 After Noon Plus. 2.45 The Spoils of War. 3.45 How's Your Father. 4.15 Salvage 1. 5.15 White Light.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 Looks Familiar.
7.30 The Jim Davidson Show.
8.00 Armchair Thriller.
8.30 TV Eye.
9.00 Chief of Detectives.
10.00 News.
10.30 Inside Business.
11.00 Lou Grant.
12.00 What The Papers Say.
12.15 am Close: Bernard Hepton reads poems by William Blake.

All IBA Regions as London, except at the following times:

ANGLIA

1.25 pm Anglia News. 2.45 Houseparty. 3.15 Superstar Profile. 3.45 Looks Familiar. 4.15 The Bubblies. 4.25 Rocket Robin Hood. 4.45 The Next Week Show. 5.15 Emmerdale Farm. 6.00 About Anglia. 6.20 Arena. 7.00 Survival. 10.30 How's Your Father? 11.00 Power without Glory. 12.00 Themes.

ATV

12.30 pm Gardening Today. 1.20 ATV Newsdesk. 3.45 Looks Familiar. 4.15 Windows. 4.20 The Jetsons. 4.50 The Life and Times of Grizzly Adams. 6.00 ATV Today. 7.00 Emmerdale Farm. 10.30 Format V. 11.10 ATV Newsdesk. 11.15 Lou Grant.

BORDER

1.20 pm Border News. 2.45 Houseparty. 3.15 Out of Town. 3.45 Looks Familiar. 4.15 Thursday Matinee: "Footsteps." 6.00 Lookaround Thursday. 7.00 Emmerdale Farm. 10.29 Border Weather. 10.30 Fireside Theatre. 12.00 Soap. 12.30 am Border News Summary.

CHANNEL

1.20 pm Channel Lunchtime News, What's On Where and Weather. 3.45 Looks Familiar. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Report at Six. 7.00 Target the Impossible. 10.28 Channel Late News. 10.35 Soap. 11.05 Josiah Wedgwood and the English Potteries. 11.25 Thursday Film: "Moon Of The Wolf." 12.40 am News and Weather in French.

GRAMPIAN

9.25 am First Thing. 1.20 pm North News Headlines. 3.45 Looks Familiar. 4.15 Little House on the Prairie. 5.10 Mork and Mindy. 5.40 Police News. 6.00 North Tonight. 7.00 The Electric Theatre Show. 10.30 Soap. 11.00 Luke's Kingdom. 12.00 Reflections. 12.05 am George Hamilton IV. 12.30 North Late Night Headlines.

GRANADA

1.20 pm Granada Reports. 3.45 Looks Familiar. 5.10 This Is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 Mork and Mindy. 10.30 Celebration. 11.00 What the Papers Say. 11.20 Snooker Classic. 11.55 George Hamilton IV.

HTV

1.20 pm Report West Headlines. 3.45 Looks Familiar. 4.15 Spiderman. 4.45 Wyatt's Place. 5.15 Jobline Newsdesk. 5.20 Crossroads. 6.00 Report West. 7.00 Emmerdale Farm. 10.35 Old Men's Story. 11.05 Luke's Kingdom. 12.05 am George Hamilton IV.

HTV Cymru/Wales—As HTV West/HTV General Service except:—9.52-10.07 am Am Gymru. 10.48-11.03 Mwy Neu Lai. 1.20 pm Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.45 Ser. 5.15-5.20 Cartoontime. 6.00 Y Dydd. 6.15 Report Wales. 6.30-7.00 Sports Arena. 10.35 Behind the Footlights. 11.20-12.20 am Luke's Kingdom.

SCOTTISH

1.20 pm News and Road and Weather. 3.45 Looks Familiar. 4.15 Larry the Lamb. 4.25 Little House on the Prairie. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Report. 7.00 Take the High Road. 10.30 Sounds Gaelic. 11.00 Inside Business. 11.30 Late Call. 11.35 Mannix.

SOUTHERN

1.20 pm Southern News. 2.45 Houseparty. 3.15 Selwyn. 3.45 Looks Familiar. 4.15 Project UFO. 5.10 Cartoon Time. 5.20 Crossroads. 6.00 Day by Day. 6.30 University Challenge. 7.00 Emmerdale Farm. 10.30 Southern News Extra. 10.35 People Rule! 11.05 Star Parade. 12.05 am What the Papers Say.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 3.45 Looks Familiar. 4.15 The Lost Island. 4.45 You Can Make It. 5.15 Wilkie in Winter. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 Northern Scene. 11.00 North East News Headlines. 11.05 Invitation Snooker. 11.35 Soap. 12.00 Police Surgeon. 12.30 am Epilogue.

ULSTER

1.20 pm Lunchtime. 3.45 Looks Familiar. 4.13 Ulster News Headlines. 4.15 Little House On The Prairie. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 6.50 Police Six. 7.00 Emmerdale Farm. 10.29 Ulster Weather. 10.30 Counterpoint. 11.15 Family. 12.10 am Bedtime.

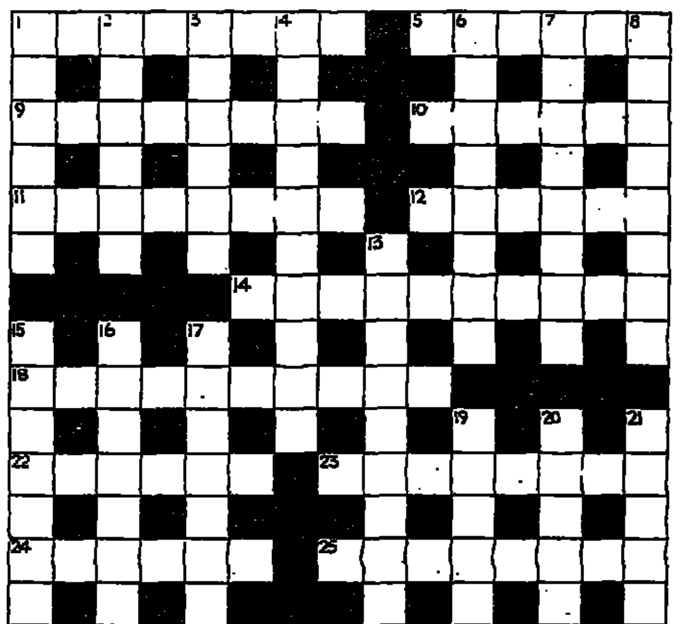
WESTWARD

1.20 pm Westward News Headlines. 4.15 Gus Honeybun's Birthdays. 4.18 Project UFO. 5.15 Emmerdale Farm. 6.00 Westward Diary. 7.00 Preview West. 10.32 Westward Late News. 10.36 Soap. 11.05 Politics West. 11.25 The Thursday Film: "Moon Of The Wolf," starring David Janssen. 12.40 am Faith for Life. 12.45 West Country Weather and Shipping Forecast.

YORKSHIRE

1.20 pm Calendar News. 3.45 Looks Familiar. 4.15 Fangface. 4.45 Salvage—1. 6.00 Calendar. (Emley Moor and Belmont editoins). 7.00 Emmerdale Rarm. 10.30 With A Little Help. 11.00 Luke's Kingdom. 12.00 The Mary Tyler Moore Show.

F.T. CROSSWORD PUZZLE No. 4,206



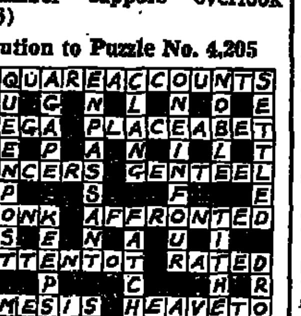
ACROSS

1 Return invitation from bookie (4, 4)
5 Party horse that is a pet (6)
9 I land OBE to build university library (8)
10 Point to boat-race crew going to mass (6)
11 Water colour engraving (8)
12 Old Bob Brown goes to church in Boycott's position (6)
14 Measure fashionable team takes to enter (4, 6)
18 Base carries away depression (3, 7)
22 Persuaded company to dismiss daughter (6)
23 Fraudulent church consumption (8)
24 Enter under canvas to attack (4, 2)
25 Rosie can adapt film plot (8)
26 Kept on until provided with horse (6)
27 Separate early start by novel (8)

DOWN

1 Driver who could be a rank insider (6)
2 Average person expecting some spirited communication (6)
3 Sign of life at the bar maybe (6)
4 Secures rent of shop (5, 5)
6 Superior sound given subtle meaning (8)
7 Huge one night stand I can't alter (8)
8 Valued oriental skinhead was full (8)
13 Notice restrains random controls (4, 6)
15 Face with which boy registers arrival (6, 2)
16 Direction taken by abrasive bad language (8)
17 Want monkey to make a fuss of it inside (8)
19 Standard prohibitionist (6)
20 Caught it right supported by fruit (6)
21 Soldier turning up small number sappers overlook (6)

Solution to Puzzle No. 4,205



Radio Wavelengths

1 1053kHz/285m 1089kHz/275m
2 693kHz/433m 909kHz/330m & 88-91vhf stereo
3 1215kHz/247m & 90-92.5vhf stereo
4 200kHz/1500m & 92-95vhf

BBC Radio London: 1458kHz, 206m & 94.9vhf
Capital Radio: 1548kHz, 194m, 95.8vhf
London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(s) Stereophonic broadcast
‡ Medium wave

5.0 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Peter Powell. 4.31 Kid Jensen. 7.00 Talkabout. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (s). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (s) including 6.15 Pause for Thought. 7.32 Ray Moore (S) including 8.27 Racing Bulletin and 8.45 Pause for Thought. 10.03 Jimmy Young (s). 12.03 pm David Hamilton (s). 2.03 Ed Stewart's Request Show (s). 4.03 Much More Music (s). 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (s). 6.03 John Dunn (s). 8.02 Country Club (s). 9.02 Alan Dell with The Big Band Sound (s). 9.55 Sports Desk. 10.02 Windsor Davies Presents. . . . 10.30 Star Sound Extra. 11.02 Brian Matthew with Round Midnight, including 12.00 news. 2.02-5.00 am You and the Night and the Music (s).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (s). 8.00 News. 8.05 Morning Concert (s). 9.00 News. 9.05 This Week's Composer: Victoria (s). 9.45 Violin and Piano Recital, part 1 (s). 10.20 Interval reading. 10.25 Recital, part 2. 11.05 London Studio Strings (s). 11.40 Ruth Dyson plays harpsichord music by Blow and Purcell (s). 12.15 pm Brahms Symphony No. 2 (s). 1.00 News. 1.05 Bristol Lunchtime Concert (s). 2.00 "Il Turco in Italia," comic opera by Rossini (s) including 3.20-3.25 Interval reading. 4.10 Schoenberg and the Piano (s). 4.55 News. 5.00 Mainly for Pleasure (s) (‡ and mono only from 6.20). 7.00 Talking about Music (s). 7.30 "Like Dolls or Angels" by Stephen Jeffreys (s). 8.20 Interpretations on Record (s). 9.15 What Books I Please (talk by Daniel J. Boorstin). 9.35 Building a Library of records (s). 10.30 Bricks and Mortals by Jack Trevor Story. 10.55 Music in our Time (s). 11.55-12.00 News.

VHF only—6.0-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.05 Parent Power. 10.30 Daily Service. 10.45 Frightened People. 11.00 News. 11.05 Analysis. 11.50 Through my Window with Marghanita Laski. 12.00 News. 12.02 pm You and Yours. 12.27 Detective. 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (s). 4.15 Any Answers? 4.45 Short Story. 5.00 PM News magazine. 5.50 Shipping forecast. 5.55 Weather: programme news. 6.00 News. 6.30 Brain of Britain (s). 7.00 News. 7.05 The Archers. 7.20 Time for Verse (s). 7.30 Nikita Magaloff plays Chopin, part 1 (s). 8.30 Fighting Talk: Boxing. 8.50 Nikita Magaloff, part 2 (s). 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

London Broadcasting

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 The Brian Hayes Show. 12.00 LBC Reports. 3.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Carol Allen—Night Extra. 5.00 Morning Music.

St. John's, Smith Square

1945 and on

by DOMINIC GILL

The London Sinfonietta have been in the vanguard—in this country indeed to a large extent have *been* the vanguard—of 20th-century music ever since their founding 12 years ago. By now they are an international, rather than a merely national, institution: quite simply, the best chamber orchestra of their kind in the world. "Unique" and "indispensable" are the epithets most commonly repeated; a colleague set the matter in perspective exactly when he wrote, "so indispensable have they become that one has the impression they must have existed for ever."

So indispensable indeed from the moment of their birth did the London Sinfonietta prove to be that they instantly received the ultimate British accolade: they were taken for granted, and their real needs (as well as their real importance) were grandly ignored. Their series of five Tuesday concerts at St. John's this month and next devoted entirely to music since 1945 is their most radical venture to date—although it is one which should, and would, have been launched years ago if the orchestra had ever received the financial support it deserved, and not been forced instead to hover permanently on the brink of insolvency, uncertain from year to year of its very future existence, let alone of firm future plans. As a senior European arts administrator remarked to me recently: "Is it not a peculiarly British decision to fund quite amply established prestigious bodies that could without great difficulty find money elsewhere, while allowing a far cheaper, but wholly dependent, priceless and irreplaceable international asset to starve?"

But enough of complaining: the Sinfonietta have fought before now against all the odds, and—with no breath to spare, but decisively—won the day. The first concert of their post-war series, given last Tuesday to a nearly sold-out hall, was another triumphant vindication. The programme was introduced (all the concerts start at the nicely coincidental time of 19.45 hours) by Stockhausen's *Mikrophonie II* of 1965: one of the most successful essays in the use of the once-fashionable, but now largely superseded, technique of electronic ring-modulation.

The evening's new commission, *Alongside*, by Michael Finnissy, was more problematic: a wholly through-notated score of extreme virtuosity for 14 instruments whose very difficulties were of prime aesthetic consideration. There should have been a "striving," of tension, as the players tried, never quite successfully, to reach the notes; but in performance the effect was of no more than rather bland improvisation — sustained by some passing pleasures: quiet, filtered string textures punctuated by sudden rages, and sudden silences, from the brass; a rather beautiful, wide-spaced piano solo leading to the rush of the final pages.

In Camera by Nigel Osborne we heard first at a Sinfonietta concert last year, and at this second performance its gentle, lyrical, qualities were confirmed: a sequence of three Nocturnes, the first freely conceived and scored without bar-lines, proposed in tremulous half-light; the second more urgent, darkly foreboding; the last, in which a solo guitar comes to the fore, a chain of insinuating combinations, very prettily proposed. Attractive interlude. The finale, for which the London Sinfonietta Voices returned to the stage, was a relaxation. *Ensemble* is one of the comic-cuts from Mauricio Kagel's *Staatstheater*—a happy, wacky commentary on the pretensions of Grand Opera, funny at times, and delivered by the Voices with fine spirit, but at 36 minutes more in the nature of a shaggy-dog story than a really good joke.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume, retail sales value (1971=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). *All seasonally adjusted.*

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1978							
4th qtr.	110.4	103.3	103	111.7	273.0	1,340	230
1979							
1st qtr.	109.7	102.2	102	110.1	276.5	1,351	234
2nd qtr.	115.3	107.6	102	116.6	297.5	1,299	256
3rd qtr.	113.3	103.1	102	109.9	300.6	1,269	247
4th qtr.	112.7	103.8		112.4	314.8	1,286	230
August	112.0	101.6	102	111.4	304.4	1,265	246
Sept.	111.3	100.4	101	109.8	302.4	1,264	243
Oct.	112.2	103.0	101	111.3	309.6	1,282	237
Nov.	114.0	105.4		113.6	317.5	1,282	234
Dec.	111.9	103.1		112.4	316.9	1,294	219
1980							
Jan.						1,339	207

OUTPUT—By market sector: consumer goods, investment goods, *intermediate goods (materials and fuels)*; engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1978							
4th qtr.	106.1	97.4	124.0	97.3	99.0	102.4	20.3
1979							
1st qtr.	105.5	99.0	126.5	98.5	98.6	99.1	12.9
2nd qtr.	109.1	103.2	133.7	102.9	110.6	103.6	21.3
3rd qtr.	105.6	95.7	132.8	94.8	104.9	100.7	20.7
4th qtr.	105.4	99.3	130.3	98.1	98.3	96.9	18.2
August	105.0	94.0	131.0	93.0	93.0	99.0	18.3
Sept	104.0	92.0	131.0	89.0	107.0	103.0	21.2
Oct.	104.0	97.0	131.0	96.0	100.0	98.0	20.9
Nov.	107.0	101.0	132.0	100.0	100.0	97.0	19.2
Dec.	105.0	99.0	128.0	98.0	95.0	95.0	14.7

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance *(£m)*; oil balance (£m); terms of trade *(1975=100)*; exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1978							
4th qtr.	122.5	112.9	−206	+447	−458	106.5	15.77
1979							
1st qtr.	109.0	116.9	−1,588	−1,216	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−379	−229	106.4	21.69
3rd qtr.	129.8	128.1	−493	−307	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−595	−158	103.7	22.54
Sept.	129.3	127.5	−211	−149	+ 12	105.5	22.75
Oct.	124.7	129.7	−418	−368	− 95	104.4	22.49
Nov.	131.8	125.8	− 75	− 25	+ 28	104.1	22.42
Dec.	131.3	131.2	−252	−202	− 91	102.6	22.72
1980							
Jan.	130.1	128.9	−346	−296	− 74	100.5	23.71

FINANCIAL—Money supply M1 and sterling M3, bank advances *in sterling to the private sector* (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1978							
4th qtr.	14.9	11.9	8.6	+1,774	878	1,584	12½
1979							
1st qtr.	7.6	9.3	32.6	+1,525	777	1,581	13
2nd qtr.	9.7	17.2	28.5	+2,704	777	1,867	14
3rd qtr.	15.5	10.2	13.2	+2,407	933	1,879	14
4th qtr.	5.1	12.7	16.2	+3,053	839	1,953	17
Sept.	11.6	10.2	13.2	+ 918	411	616	14
Oct.	15.5	15.2	14.6	+1,565	544	663	14
Nov.	6.5	13.4	19.1	+1,243	134	698	17
Dec.	5.1	12.7	16.2	+ 245	161	592	17
1980							
Jan.	− 8.1	8.9	22.6	+ 522	235		17

INFLATION—Indices of earnings (Jan. 1976=100): basic materials and fuels, wholesale prices of manufactured products (1974=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1978							
4th qtr.	136.4	147.1	157.3	202.6	208.0	257.69	62.7
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8	268.88	64.0
2nd qtr.	147.3	163.3	168.0	216.5	225.2	293.55	67.4
3rd qtr.	154.2	169.9	176.4	231.1	231.9	301.66	71.0
4th qtr.	161.7	182.1	183.1	237.6	237.2	295.13	68.8
August	153.3	169.1	176.3	230.9	231.8	290.04	71.4
Sept.	153.6	172.5	178.2	233.2	232.6	301.66	69.8
Oct.	158.1	178.1	180.3	235.6	234.8	291.34	68.4
Nov.	162.1	186.0	181.6	237.7	237.0	297.22	68.4
Dec	165.0	187.4	183.3	239.4	239.9	295.13	69.7
1980							
Jan.		193.3	187.9	245.3	244.8	308.69	71.8

* Not seasonally adjusted.

Margaret Barbieri (centre) Leonard Burt

Sadler's Wells

Papillon

by CLEMENT CRISP

Once upon a time—in 1860—there was a ballet called *Le Papillon*. It was a *ballet-féerie*, opulent, extravagant, conceived as a vehicle to launch the rare and lovely abilities of Emma Livry, aged just 18. Marie Taglioni had been lured from retirement to choreograph for the young talent who so closely resembled her in airy grace: Offenbach, darling of the boulevards, created the score. Livry triumphed, and within three years was dead of burns, and with her the hopes of a French ballerina to rival the Italian virtuosi of the period. With her, too, disappeared *Le Papillon*, until Ronald Hynd revived it, with libretto severely pruned, for the Houston Ballet last year. Now Sadler's Wells Royal Ballet has acquired it and with it opened a spring season on Tuesday night.

The result is a piece which I find a numbing travesty of the manner of the late Romantic ballet. Gone are sentiment, poetry, the marvellous; instead we have coarse jokes, caricature, an endemic outbreak of fluttering by a corps de ballet of butterflies.

The action centres upon a witch, Hamza, and her serving maid, here called Papillon (instead of Farfalla, the name given to Livry's character). How a Shah loves Papillon and eventually lands up with Hamza, and how Papillon is reunited with a shepherd, Bijahn, her true love, is the farcical matter of the evening. The working out of the plot is undecided, opting generally for knock-about humour but occasionally offering knock-about sentimentality: the choreography seems to take nothing very seriously, and merits the same attention.

Margaret Barbieri is the heroine, and Carl Myers her shepherd: Alain Dubreuil is Hamza as a hag, with Siobhan Stanley delightful as Hamza momentarily rejuvenated: Stephen Jefferies wastes his great talent in the low comedy antics of the Shah. John Lanchbery has arranged and orchestrated the score. Peter Docherty has designed the production.

The audience on Tuesday loved every moment. I remembered Bournville, and how the ballet of the mid-19th century can still seem thrilling, pertinent: and I despaired.

A re-designed *Danses Concertantes* was also on the bill. Gone the one-time feeling that we were in a mysterious house of pleasure: Nicholas Georgiadis' new designs are in gleaming red and black, like a casino in which Claes Oldenburg has provided the furniture. The choreography looked as fresh as its decor; cast against type in the role created for the muscular bravura of Donald Britton, Roland Price—lean, long-limbed, and barely out of school—showed that he is a talent to treasure.

Record review

Strauss's Helen

by DAVID MURRAY

Richard Strauss: Die Agyptische Helene (Gwyneth Jones, Matti Kastu, Barbara Hendricks, Willard White, Curtis Rayam, Birgit Finnila with Antal Dorati and the Detroit Symphony Orchestra). Decca D176 D3 (three records).

Several of Strauss's 15 operas still languish outside the repertoire, heard if at all only in rare festival productions. *Arabella* and *Capriccio* have come in from the cold at last, and John Cox's Glyndebourne productions have extended helping hands to *Intermezzo* and *Die schweigsame Frau* (which have not in any case been altogether neglected in Austria and Germany during the past 20 years or so). The operas Strauss wrote before *Salome*—the early *Guntram* and *Feuersnot*—are not sufficiently distinguished pieces to prompt more than token rescue attempts; the one-act *Friedenstag* of 1938, whatever its stage merits may amount to poses the usual problem about programming. Beyond the established operas, then, that leaves *Die Ägyptische Helene*, *Daphne* and *Die Liebe der Danae*; and of these *Helene* has waited longest for a complete recording to display it.

Of the three latter operas, only *Helene* now enjoys a full-dress modern studio recording—the available *Daphne* recording was made from a (very good) live performance in Vienna, and the historic Salzburg album of *Danae* is impressive but ancient (which is true also of one or two of its principal singers). It must be said at once that Decca have done *Helene* proud, casting it from strength in the original Dresden version of 1928 rather than the trimmed Vienna version of five years later, and securing a sumptuous sound which does excellent justice to the richly glittering orchestral part too. Will it tempt some opera house to chance its collective arm on a staging of the opera? *Daphne* begins to be heard in this and that theatre (though in no British one yet); *Danae* is still a very rare bird, for staging it is certain to be both a problematic business and an exceedingly costly one. The demands of the Egyptian Helen are not so extravagant as that, though they are more exacting than anything in the gentle, pastoral *Daphne* except the famous transformation of heroine into laurel tree.

These three operas have in common a source in Hugo von Hofmannsthal, though only the Helene libretto was actually his work. Each of the other two was generated from a sketch of his, but posthumously—the old Strauss commanded realisations of Hofmannsthal's ideas from the not over-talented Joseph Gregor, who made what he could of them. (The eventual *Liebe der Danae* was considerably altered from the original plan, and not—dramatically, at least—for the better.) As for Helene, it followed the *Rosenkavalier*, *Ariadne* and *Frau ohne Schatten* collaborations at a distance; in between, Strauss had written and composed his "bourgeois comedy" *Intermezzo* as a specifically personal project (it is of course a barbed but kindly caricature of his wife Pauline) without invoking the poet's assistance. *Arabella* was yet to come, and in the event poor Hofmannsthal did not live to see it through—a sad accident which undoubtedly accounts for the dramatic patchwork of its second and especially its third act. *Helene* remains thus the last fully ripened fruit of the great partnership, and for that alone it must earn sympathetic attention.

The plot of *Helene* is curious—not at all over-complicated, but odd enough that Strauss was anxious to have a printed explanation by Hofmannsthal of the sense o fthe opera distributed to its first audiences. The Helen here is, like Janet Suzman's in the RSC *Greeks* at *the Aldwych, the exiled one in* Egypt. The Euripidean premise, however, was that only she is the real Helen, the wife of Menelaus—the lady with whom Paris absconded to Troy was a divine fiction. Hofmannsthal's Helen is both: coming home from Troy with her enraged husband intending to kill her en route, their ship is opportunely wrecked by the magical offices of a friendly sorceress, Aithra, whose sisterly feelings for Helen lead her to propose a ruse that will both save Helen's life and restore her marriage. The ruse is to pretend, with the help of a mind-numbing potion administered to *Menelaus*, that the Euripides version is the truth: that Helen has indeed spent a chaste decade as Aithra's guest, and that the creature for whom the Greeks have been battling and whom Menelaus dragged on to his ship was an illusory wraith.

In the course of some exotically unlikely events involving an Arab king and his son—Willard White and Curtis Rayham flesh them out invaluably on the new recording, bringing more passion and conviction to their manipulated roles than they might be thought to deserve—the ruse is abandoned in favour of daring honesty (it proves after all not to be suicidal). In fact *Die Agyptische Helene* is another Hofmannsthal hymn to the divine sanctity of *marriage (against remarkably* heavy odds in this case); perhaps he had guessed from *Intermezzo* that the theme struck something deep in Strauss. Gwyneth Jones's Helen finds her in ripely seductive voice, neatly contrasted with the brighter, drier tones of Barbara Hendricks' *half-human Aithra*; the Menelaus is Matti Kastu, who is understandably flummoxed by the endless sequence of magical bafflements to which the character is subjected, but rises *stirringly to his grand outbursts* (the part was designed for Tauber). Certainly the score does not find Strauss in a freshly original phase—there are many, many echoes of *Frau ohne Schatten*, for example, and pre-echoes of *Arabella* too; but his sheer expertise is often breathtaking, and it is very hard not to succumb to the ecstatic sweep of the crucial duets and trios.

Maxwell Davies's new opera for children

Peter Maxwell Davies has written a new opera for children—an Orkney version of *Cinderella*—which will be one of several new works to receive their first performance at the annual St. Magnus Festival, to be held in Kirkwall, Orkney, from June 20-25.

Festival Hall

Das Lied von der Erde

by ANDREW CLEMENTS

For the audience, the main attraction of Tuesday's concert by the Royal Philharmonic Orchestra was Dame Janet Baker: that she was singing in Mahler's great song cycle was almost coincidental. Dame Janet was announced to be suffering from a heavy cold: it audibly restricted her power and diminished her range only on rare occasions—the rest was unalloyed pleasure. But it was, I fear, the only pleasure of an *otherwise* unhappy evening. Walter Weller was conducting the orchestra of which he is soon to become principal con*ductor, and evidently he plans* to build up a reputation as a Mahler conductor—*Das Lied von der Erde* is to be followed *next Sunday by a performance* of the second symphony. It was not, to put things most kindly, a very auspicious beginning.

Mr. Weller comes to Mahler with no apparent preconception. There is no attempt to make the music conform to any Viennese or symphonic archetype; a commendable independence, perhaps, were it to lead to any remotely interesting interpretative stance. Instead there was a devastating literalness, which sounded effective only in the most blatant *chinoiserie* in the central movements of *Das Lied;* elsewhere orchestral details were pulled out of the texture or suppressed for no obvious purpose, and tuttis left to balance themselves. The general neglect of balance made life difficult for Robert Tear in the three tenor movements. His is not a *Heldentenor*, and little else will be effective in the opening "Trinklied," but there *could* surely have been more evidence of concern on the conductor's part for the audibility of at least some of the text.

Profound thanks, then, for Dame Janet, even at less than full power. The pure sound *values of Bethge's German could* hardly have been more carefully realised, the precise inflections of lines such as "Ich spüre *eines feinen Windes Wehn*" more perfectly weighted. Against all the odds—including some orchestral details that appeared to have strayed into the score from *The Rite of Spring*—she managed to make the final "Abschied" deeply affecting. Any dry eyes were not her fault.

Cockpit

Teresa

by B. A. YOUNG

Teresa is described by the author, Alton Kumalo, as "the modern black woman," but of course she is only one modern *black woman.* She has been sent from Zambia by her father to get some western polish and so become suitable for her arranged marriage with Sam, a western-trained lawyer. But with no experience to help her, she drifts into a liaison with Jet, a mini-cab driver, who takes over her life until, prompted by her Woman's Lib friend Claudette, she throws him out.

The play is stronger in atmosphere than in plot. The three characters are interesting specimens of our new citizens—Jet, who has come from Soweto under the illusion that he only has to ask for a scholarship to get one; Teresa, caught *between* African and European marriage practices; and Claudette, happy to involve whites in her search *for* independence. But such story as there is relies mainly on the clichés of marital chronicles, even if the clichés gain some novelty by being approached from unaccustomed angles.

The author has not got *his* aims clearly enough in focus. Anti-white Jet, who proclaims "I came here to colonise," seems never to have made any moves in that direction, apart from starting an affair with a married white woman. It would be more interesting to know from the start about Teresa's problems, but we hear nothing of Zambia until her long soliloquy that ends the play—as if *Romeo and Juliet* were to finish with "Two households, both alike in dignity" instead of starting with it. All three characters require soliloquies to establish their personalities.

Teresa is movingly played by Ellen Thomas, half-maternal and half-liberated, and Claudette is an attractive good-time girl in the person of Dorrett Thompson. Mr. Kumalo, besides being author and (by way of Temba Theatre Company) producer, plays Jet in a menacing roar that conceals whatever charm he used to seduce Teresa. Ian Giles, the director, might usefully take him by the arm and point out the dimensions of the Cockpit auditorium.

I'd have been more deeply concerned about the problems of *what Teresa calls "living on* borrowed culture" if they didn't all find it so easy to resolve their problems by a visit to the *disco or even a little spon*taneous boogie at home (at any hour of the day or night. Do they have neighbours?)

Wigmore Hall

Bernadette Greevy

by RONALD CRICHTON

"*A Sense Of Ireland*," the Republic's six-week London festival of the Irish Arts, is being vigorously promoted and well advertised, with a higher standard of printing and design than some of our comparable festivities. There are 10 concerts at the Wigmore Hall and elsewhere, with many more of traditional and jazz/contemporary. Tuesday *night's recital* by the distinguished mezzo, Bernadette Greevy, with John O'Conor at the piano included *Handel, Schumann, Ravel* and the first London performance of Seoirse Bodley's song-cycle *A Girl*, occupying the whole of the second half.

As a new work of some length and because the music stirred the singer to her most interesting performance, the cycle deserves to be taken first. A sequence of 22 mainly short *poems written for the occasion* by Brendan Kennelly traces the resigned despair and suicide of a pregnant, unmarried girl *who chooses drowning as the* way out of what she feels an impossible situation. Though the poems are not specific, she seems to be a country girl acutely conscious of the nature about her, and remarkably free from resentment.

Bodley uses free-flowing, swift-moving recitative, flowering (often, after two or three lines of rapid monotone) into bursts of lyrical melisma. There *is* a certain amount of pentatonic colouring. The piano paints the background atmos*pherically for the most* part, though there are two short, more concentrated songs (Nos. 3 and 12) using chordal ostinatos, which stood out prominently. The cycle does not bite very deep, there is too much in words and music about rain, but the attention was held and Miss Greevy given an opportunity, excellently taken, for dramatic declamation.

The energy the singer brought to the new work was detectable *in the first half* too but might then have been mistaken for a kind of eagerness—not quite right for Schumann's *Frauenliebe und Leben*, externalised with emotion spread over the music rather than controlled and intensified. In Ravel's *Greek Folk Songs* Miss Greevy's fine voice rang out so clearly that one almost, but not quite, *overlooked the lack of detailed* shading and recognition of the skill with which the sophisticated Ravel portrays unsophisticated states of mind. John O'Conor's generally reliable, sensitive playing was hardly incisive enough for Ravel. Both the Handel group and the new cycle, in their very different ways, left a strong desire to hear Miss Greevy in opera—Handel, perhaps?

IBM Europe sponsors EEC Youth Orchestra for second year

IBM Europe has again shown its support of the musical youth *of Europe by sponsoring the* European Community Youth Orchestra for the second year running. The orchestra, made up of the finest young musicians aged between 14 and 22 *from* the nine countries of the EEC, is also helped financially by grants from the European Commission and the nine member Governments.

The composition of this year's orchestra will be announced during February after the completion of auditions in the nine countries. The musicians will work with conductors such as Edward Heath, their musical director Claudio Abbado and Herbert von Karajan who will conduct the orchestra at the Salzburg Festival.

IJF activities

The board of the International Jazz Federation held *its first full meeting since* being elected last June in Ljubljana, Yugoslavia, at Kalisz, Poland.

At this meeting a number of positive steps were taken including the signing of a new contract between the IJF and the Polish Jazz Society which reaffirmed the position of the bi-monthly *Jazz Forum* as the official magazine of the Federation.

It was also decided to hold the next general assembly of the IJF in Warsaw in October 1980 during the annual Jazz Jamboree.

Further details of the IJF and future activities are obtainable from Charles Alexander of the Jazz Centre Society, 35 Great Russell Street, London, WC1, who is one of four vice-presidents of the organisation.

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Weak voice of Europe

THE SOVIET invasion of Afghanistan caught Western Europe—and most noticeably the EEC countries—on the hop. The initial European reaction was one of confusion and considerable incoherence. As usual, when the Community has to respond to an important outside event, national instincts surfaced first and only later was a serious attempt made to hammer out a common line, a process continued at Tuesday's meeting of Foreign Ministers in Rome. The differences inside the Nine were reflected on a wider screen in French and German disagreement with Washington, accompanied at times by some irritation. Britain's wholehearted support for the U.S. line served, among other things, to point up the divisions inside the Community.

Consultation

In part, the West's confusion was due both to the timing of the Soviet move and to the inadequacy of its consultation procedures. Some European diplomats believe that Moscow deliberately chose the end-year holiday period to move into Afghanistan on the grounds that the Western nations would be logistically incapable of organising a speedy political response. Britain has since suggested that new emergency procedures should be set up to provide for nine-nation political co-operation in a crisis — a proposal that deserves to be taken seriously. But trans-atlantic hotlines also failed. Washington has infuriated both Bonn and Paris by rushing into public announcements without prior consultation or even warning. Mr. Cyrus Vance, the U.S. State Secretary, promised in Bonn yesterday to try to remedy this fault in future. That, too, would be a help.

Unilateral action by the U.S. only makes it more difficult for countries like France and Germany, with their own special sensitivities, to fall into line. Even Britain maintains that it did not simply do Washington's bidding, but arrived at a similar line to that of the U.S. as a result of its own independent assessment of the post-Afghanistan world scene. Now, with the Rome communique proposing the neutralisation of Afghanistan, the Nine are finally beginning to get their act together. But they are only doing so by concentrating on what they can agree on, and forgetting the considerable areas of discord. The most notable omission from the communique was any reference to the Olympic games —or indeed to any other form of sanction against the Soviet Union.

Sphere of influence

The first point about the Community's Rome proposal is that, however worthy its motives, it is not going to get the Russians out of Afghanistan until they are ready to go. It may win some ritual support in the United Nations. But for Moscow, a neutral Afghanistan would be a step back even from the pre-invasion period, when the country was already in the Soviet sphere of influence. The second point is that the underlying divergences in the Community are going to continue. Paris is going to persevere with its "independent" foreign policy. Bonn will continue to be worried about threats to detente and to its Ostpolitik and Mrs. Thatcher will not change her mind about the Red peril.

As long as these divergences are unresolved Western Europe will remain vulnerable to Soviet offers of "*divisible detente*"—that is to say, Moscow holding out the prospect of improving relations with Western Europe while those with Washington remain icy. As long, too, as the Community can only come up with proposals that are almost certain to be ineffective, its attempts at foreign policy co-ordination in a crisis are going to lack credibility.

Anti-Soviet

Nobody in the West believes that the Russians can be forced out of Afghanistan. The task now is to stop them subverting or putting pressure on other countries in the area. The Europeans can help to shore up those countries militarily and economically, provided it is not done in too unsubtle a fashion. They can continue to try to rally anti-Soviet opinion in the Third World. They can, and should, try to untangle some of their crossed lines with Washington. It is a moment for Western solidarity rather than the flaunting of individual national preoccupations. So far, however, there is little evidence that concerted European diplomacy is likely to have much impact on the course of events

No time to take risks

ECONOMIC regeneration is a matter of decades, rather than months, and it is grossly unfair to judge the economic policy of any government on the experience of a single year. The Conservative Government's first Budget, conceived nine months ago, in the heat of post-election euphoria, has given rise to a forlorn catalogue of disappointments. But it is far too early to suggest, as the Chancellor prepares his second Budget, that the new economic policies have failed.

Optimistic

It will be in the forthcoming Budget that the Government will have its best opportunity to demonstrate its continuing faith in these policies and to prove that abstract economic theories can be made to work in the real world. In retrospect the mistake of the last Budget was that it attempted to achieve too much too quickly. Cutting income tax, curbing inflation and restricting the growth of the public sector were all desirable objectives. But it was over-optimistic to assume that all these targets could be hit at the same time, in one year.

This time the Chancellor must order his priorities clearly to eliminate the sort of inconsistency between fiscal and monetary policy which arose last year, and which is partly responsible for the present record interest rates. Similarly it must be recognised that inflation, interest rates and income taxes cannot all be reduced at the same time. The first and foremost objective must be to combat inflation. But this time counter-inflation policy must be given primacy in deeds as well as in words. The corollaries of this are caution about increasing indirect taxes and, most importantly, determination to keep monetary growth under control. Far from being weakened, the commitment to tight money, which has sometimes seemed to waver during the past nine months, will have to be reinforced.

Putting this commitment into practice can mean, as Ministers have belatedly come to realise, that interest rates rise to unprecedented and politically alarming heights. But high interest rates are not an incidental side-effect of monetary restraint: they are one of the principal means by which monetary policy acts.

Even to "lead interest rates down once the economic fundamentals begin to improve, may be a dangerous course, since a Government-engineered fall in interest rates could well prove excessive and premature. This does not mean that interest rates should be overlooked in the Budget strategy. On the contrary, action to ease the pressure on interest rates, within the constraints defined by the monetary target, should be an important part of the Budget. But it would be better for the Chancellor to present his new policies to the markets and then let them dictate the course of interest rates, rather than seizing the initiative by announcing a cut in Minimum Lending Rate during the Budget itself.

Fiscal slack

Given the monetary target, there is only one prudent way for the Chancellor to assist industrialists and home owners struggling with high interest rates. He should do his utmost to limit the Public Sector Borrowing Requirement. Curbing the PSBR, so as to reconcile it with the present monetary targets at a lower level of interest rates should be the central aim of the Budget. Even if public spending cuts can be found to reduce the PSBR to below £10bn, it would be rash to use any further fiscal slack that may emerge from decisions on the valorisation of specific duties or on the abolition of the 25 per cent tax band in order to cut taxes. Even cuts in taxes on employers would be less welcome to industrialists than a fiscal tightening which would lead to a fall in interest rates. Similarly most of the voters who own houses would doubtless prefer a cut in mortgage rates to a cut in income tax.

A time when inflation is soaring towards 20 per cent and when interest rates are threatening to rise above 17 per cent despite official attempts to massage the money markets, is no time for cutting taxes. Until the other policies are clearly beginning to work, inflation is under control and North Sea oil is flowing, the election promises on incentives and taxes will have to wait.

UNITY OF CANADA UNDER DOUBLE STRAIN

Trudeau and the challenge of the new decade

BY W. L. LUETKENS IN TORONTO

WELCOME TO the 1980s. Those were the first words Mr. Pierre Trudeau said in public after regaining the prime ministership of Canada. He spoke with a broad grin to campaign workers, a hint of a glint of triumph in his tired eyes.

But has his handsome electoral victory over the short lived Progressive Conservative Government of Mr. Joe Clark really projected Canada into a new decade in any but the literal sense? Are the problems of the 1970s solved? The answer clearly is no. The energy crisis is unsolved, budget deficits loom, inflation has not gone away, nor has the Quebec problem.

What is new is that after an interlude of minority government lasting 273 days Canada has a majority government again. Moreover it has at its head a man who has stated firmly that he does not intend to run for yet another term having already headed majority governments returned in 1968 and 1974, and a minority government from 1972 to 1974.

That should give him the freedom to take any unpopular measures that he may find necessary. But Mr. Clark went for an austerity budget from a minority position and paid the penalty. The fate of the Tories on Monday is unlikely to encourage the Liberals to be too bold.

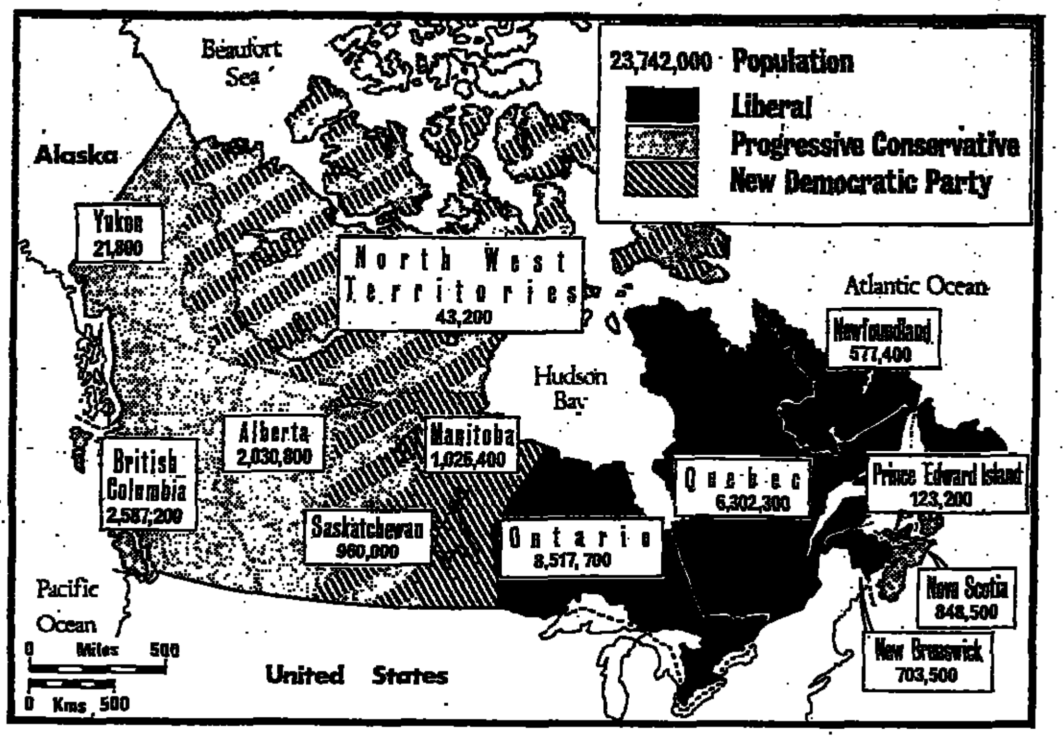
Mr. Trudeau has the advantage over Mr. Clark also in that his calibre as a leader is less in doubt. Yet he must be cautious since the Liberal defeat last May was in large measure the result of a widespread antipathy to him in English speaking Canada. He was disliked for having placed his faith in making the administration bilingual as a means of holding together the two founding nations of Canada, the English and the French. It was nothing unusual to hear westerners say without provocation that they would not have French "rammed down their throats" which nobody was doing.

No wonder the west on Monday voted almost solidly against the Liberals. Where it did protest against Mr. Clark it did so by supporting the New Democratic Party — a social democratic group which habitually comes third in federal elections.

The unity of Canada is thus under double strain. In French speaking Quebec the Parti Quebecois Government of Mr. Rene Levesque with separatist inclinations is chafing under Ottawa's central power. In the west resentment of the French and of Ontario's historic predominance in the Canadian confederation has found a basis of economic strength from which to operate. Canada's oil and gas reserves are concentrated there. Especially Alberta is growing rich on those resources.

The next major event is likely to be the referendum in Quebec in which Mr. Levesque will ask his voters for authority to negotiate sovereignty for his province in economic union with Canada. Mr. Trudeau will refuse any subsequent overtures for talks. The other federal parties and provinces will no doubt support him even though they may disagree about tactics.

Even Mr. Trudeau, though a centralist, has proposed modifications to the constitution which would increase the role of the provinces in the legislative process while leaving final authority with the House of Commons in Ottawa. At the opposite end of the scale Mr. Levesque wants full legislative powers for Quebec though he is willing to see a joint authority to keep fiscal and economic policies aligned.



Devolution of powers

A position in between is taken by Mr. Claude Ryan, leader of the Quebec Liberal Party. He has proposed a greater degree of devolution of powers to all provinces—not only to Quebec —doing away above all with the right of the Federal Government to overrule provincial laws — a right incidentally not exercised for more than 40 years.

The trouble with all these proposals is that they would require unanimous support from Ottawa and the provinces which would be hard to get. Someone might even veto a proposal cautiously welcomed by all federal party leaders to help to satisfy regional aspirations by introducing a little measure of proportional representation into the electoral system.

Since Quebec often goes one way in federal elections and another in provincial affairs Mr. Trudeau's victory does not mean that Mr. Ryan is sure of achieving a "No" in the referendum, or of winning the next provincial election. But if he ever should become premier of Quebec the possibility exists of an entente between him and Mr. Peter Lougheed, the Tory premier of Alberta though it would be confined to matters political.

But long before that occurs there is going to be a stiff confrontation between Mr. Lougheed and Mr. Trudeau. The Albertan cannot but be upset by Mr. Trudeau's undertaking to prevent the price for Alberta's oil rising as quickly as Mr. Clark had proposed. Mr. Trudeau argues that in the past he always has come to some accommodation with Alberta about oil prices and that there is no reason why he should not do so again. There are two strong reasons for thinking him right.

He has been very careful to concede that the price of gas and oil must rise and equally careful not to say by how much. So his hands are untied.

Moreover though Mr. Lougheed's Government by law is in charge of Alberta's oil and gas policies the Federal Government is responsible for interprovincial and foreign trade. Albertan gas producers are anxious to increase their sales to the U.S. In other words the bargaining counters are not all with Mr. Lougheed.

Collisions between federal and provincial governments are nothing new in Canada. Compromise is of the essence of any federal system and so far compromises always have been arrived at. Even Quebec, where tensions are aggravated by the English-French conflict, looks a good deal less restive now than three or four years ago.

The election has taken place at a bad moment in the Canadian economic cycle. A spurt in 1978 attributable in large measure to the extra competitiveness conferred on Canada by the depreciation of its exchange rate in 1976 and 1977 was coming to an end in 1979. The real growth rate of GNP has declined by 3.4 per cent in 1978 to an estimated 2.7 per cent last year. Estimates for 1980 run as low as 0.5 to 1.5 per cent.

The reasons are not far to seek: the U.S. is on the verge of a recession though it may prove short: and the benefit to Canadian unit labour costs derived from a period of wage increases more modest than those in the U.S. (once allowance is made for the exchange rate) is coming to an end. Nevertheless there is a widespread consensus that the economy may be on the mend by next year. One of the more optimistic forecasts, from Greenshields the investment dealers, looks forward to growth of 4 to 4.5 per cent in 1981.

Forecasts of that sort do need a pinch of salt but there are solid bases for longterm optimism for the Canadian economy. The reason for assuming that at bottom the economy is strong is Canada's wealth of energy and mineral resources combined with a political stability not always found in regions so endowed.

In spite of net imports of about 50m barrels of crude last year — equivalent roughly to a third of demand — which are expected to quadruple by 1985 unless something is done, Canada is a net exporter of energy. In 1978 the surplus realised from trade in energy came to C$1.8bn.

Potential profits

Vast new sources of hydro-electric power are coming on stream from James Bay in Quebec; rich uranium deposits are being discovered in Saskatchewan; proved reserves of natural gas are being added to, permitting an early increase of exports to the U.S. with the consequent benefit to external payments; coal deposits in Alberta and British Columbia are capable of long term development.

The recent explosion of the prices of silver and gold have added enormously to the potential profits of many Canadian mining companies. Equally they stand to gain from price increases in the non-ferrous base metals sector — especially if the international tensions caused by the crisis in south west Asia should prove prolonged.

Developing all that will bring work to specialised manufacturers but will also have a secondary effect on the economy at large. It will also cost a great deal of money. The cost of pending energy projects alone runs into several hundreds of billions of dollars. They include such monsters as a third plant to extract oil from the Alberta oil sands planned by a group led by Shell. The cost is estimated at close to $C7bn. The pipeline to carry gas from Alaska through Canada to the main U.S. markets should get the go ahead reasonably soon. There is a $C2bn proposal to bring gas from western Canada to the Maritime Provinces on the Atlantic coast.

It is suggested that that pipeline should be made reversible, capable of carrying gas in the westward direction, too. The reason is that after years of disappointment, gas in commercial quantities seems to have been found off the east coast. Recoverable oil, too, has been found off Newfoundland. The Hibernia well north-east of St. John's, Newfoundland, has hit a structure which on the lowest estimate contains 500m barrels of oil. That would add 15 per cent to present proven reserves in Canada. But estimates of what really lies there go as high as 1bn to 2bn barrels.

These discoveries are not only of economic importance. They should help to restore at least in part the regional balance in Canada. For much of the 19th century the east was the wealthy region living on exports of timber and fish and a superb shipbuilding industry. Subsequently Ontario the main manufacturing province made the running and in the 1970s the oil and gas of the west brought riches to a previously backward region. Oil and gas in what used to be known as the have-not Atlantic provinces will not reverse the westward movement of the country's economic centre of gravity but will reduce regional disparities.

Developing these potential resources will require more money than Canada can find by itself. Traditionally an importer of capital, Canada is heavily in debt internationally: the estimated net debt at the end of 1978 was about $C60bn requiring service of $C4.3bn in dividends and interest. That was equivalent to 7 per cent of Canada's gross income from visible and invisible exports — a share that is growing at present but still a good deal lower than it has been at times in the past.

Unchanged picture

The broad outlines of this picture are not really going to be changed fundamentally by the outcome of the election however much the emphasis of economic policy may change.

The Toronto Stock Market seems to have been signalling for a long time that that is what it believes. Though business preferred Mr. Clark to Mr. Trudeau the market took his victory in its stride. A market that has risen with few interruptions for two years in spite of rising interest rates and regardless of the vicissitudes of the politicians does seem to believe that gas and ore in the ground are more important than a few constitutional tiffs. That would seem to hold good even if the market should go into reverse temporarily now to regain breath.


Mr. Trudeau on ice: the victorious Liberal Party leader pictured on Sunday at an ice-rink in Toronto.

MEN AND MATTERS

Discreet charm of the law

A friend who paid 50p at his local newsagent for Exchange Contracts, "the magazine for homebuyers," was surprised when shortly afterwards he was given an identical edition free by his solicitor—identical, that is, except for a front cover over-print which states: "Free to homebuyers with the compliments of the Law Society and your solicitor."

The publication is the fruit of a novel exercise in co-operation between the publicity-hungry Law Society and enterprising Soho-based publishers Home and Law Magazines. Home and Law publishes it, and the Law Society distributes it through solicitors' offices to clients using conveyancing services. The Society's public relations man, Graham Lee—"I am the so-called editorial consultant" — tells me that most of the quarterly print run of 260,000 is distributed with the over-printed front cover.

As for the 17,000 or so sold on the open market, he says that is the publishers' affair. He does not think it necessary to make plain the Law Society's close links with the publication. And it is close indeed. Editor Nigel Kendall tells me that Lee provides him with four of five pages of legal-style stories and articles for each edition. The back cover and a half-page on page one are reserved—free of charge, of course—for Law Society advertising.

Lee also appears to have ultimate editorial control. "I can veto material if it is incorrect or is not suitable in my view for the magazine in the circumstances under which it is distributed," he tells me. Kendall, who admits to having had initial doubts—"I thought it would be a flag-waving exercise for the Law Society"—has not so far been afflicted by the Lee veto. "I think the only thing they would worry about was if I were to start putting nude ladies all over the paper."


"When the Red, Red Robbo went Bob, Bob Bobbing Along . . ."

Silver jamboree

Parisian bullion dealers were yesterday invaded by mobs of eager citizens rattling their loose change following a helpful hint at the weekend from Prime Minister Raymond Barre. He told the nation that silver-based coins were now worth six times their face value as scrap and as a result were to be demonetised and withdrawn from circulation. The result, not unsurprisingly, was a stampede.

Coins worth FFr 5 in the supermarket were crossing the dealers' counters in return for three crisp FFr 10 notes and some loose change, and FFr 50 pieces sold for up to FFr 84. "It is appalling," said one bemused dealer. "They are queuing up on both sides of the street and we are letting them in at 50 a time."

Trouble in t' pit

Music may be the food of love, but heated words are increasingly being heard in the kitchens where it is prepared. Just now these concern a curious ruling by the Department of Health and Social Security that musicians, being conducted, are therefore to be classified as employed. This conflicts with the Inland Revenue which, seeing past the baton, accepts the self-employed character of the fiddlers and bassoonists.

"They're trying to say that the conductor exercises control on behalf of the group," says Michael Procter, administrator of the Monteverdi Choir and Orchestra. "In our case, anyway, that is nonsense." He is resisting a demand from the DHSS for national insurance contributions amounting to, he estimates, £30,000.

If the department wins the argument, the Monteverdi and every other orchestra will have to pay 10 per cent of the players' fees in contributions, the musicians 6½ per cent. Another orchestra, the English Sinfonia, is also involved in a legal tussle over the DHSS ruling. Arts Minister Norman St. John Stevas promised last December that the threat to small orchestras would be looked into, but since then nothing more has been heard from Whitehall. No doubt more will be heard of hardship behind the harmony — Wilf Weeks, a former aide of Edward Heath, has been engaged by the Monteverdi as a lobbyist.

Well-stocked

"I think the answer is that we have an enormous number of wise virgins among our members." That is how Jerry Blake, head of the Engineering Industries Association Midland branch explains the apparent abundance of steel in the stores of his 600-odd members, and the lack of activity in his steel strike "swap shop."

Expecting some of his members to run rapidly out of raw materials, he has resurrected a clearing house notion first applied after the Coventry blitz, when all local industry was thrown into chaos, and now offers to put engineers short of metal in touch with those who have stocks to spare.

With the stoppage well into its second month, Blake is puzzled that although he has had offers of about 800 tonnes of assorted types of steel from more than 60 members, he has had fewer than a dozen requests. As might be expected, however, he has not been able to satisfy all searchers, who appear mainly to be short of finished steel and the more popular gauges of plate. "It's very strange," he tells me. "But what has come out of this is that a lot of people seem to have a lot of money tied up in surplus stock. When all this is over, I shall have to look into it and raise it with them."

Party time

I dread to think what readers offended by the Conservative Party's genteel dabblings in professional advertising will make of the flow of undiluted bile flowing from the pen of Bishop Abel Muzorewa in yesterday's Rhodesia Herald. In an open letter to the bemused electorate, the bishop airs his conviction that his opponents are committed to developing "a Marxist Communist one-party state" in which people may be executed for owning a Bible.

Under Nkomo and Mugabe, the letter says, "you will lose your houses, your land, your cattle, goats and chickens . . . your children will be taken away . . . they will be taught to hate God and the Ancestral Spirits . . . they will be told to spy on their parents."

Over to you, Saatchi and Saatchi.

Eastbound?

A blackboard apology at Green Park tube station reads: London Transport regrets inconvenience to passengers caused by late arrivals. These are due to a defected train."

Observer

ECONOMIC VIEWPOINT

Nonsense that should not be endured

THERE ARE TIMES when it is necessary to emerge from the world of specialised argument and confront the barbarians outside the gate. The amount of what Jeremy Bentham called "nonsense on stilts" uttered on politico-economic matters has reached a point where it cannot and should not be endured.

There are several strands to current emissions. First there is the drivel poured out on the subject of "monetarism," a word I had resolved not to use any more. Second, there is the disloyal campaign mounted against the economic Ministers by "friends" of some of their colleagues—indeed not always "friends of." As someone who makes my living partly out of criticism of these Ministers, irrespective of which party is in power, I have some experience in separating genuine criticism from contradictory and malicious gossip-mongering, which does not present a ghost of an alternative; and what we have had is the latter. Third, there is the apparently more elevated debate on the nature of Conservatism into which these other things are dragged.

At this more highbrow end one catches an ill-concealed upper class disdain among the Tory paternalists for those who dare to reflect on economic principles. Sir Ian Gilmour, in his famous Cambridge speech on February 7 said: "Life is not a market place and the country must not be turned into one." True; but it misses the real point that free contractual relations are a safeguard against tyranny and an alternative to compulsion, even for those who would be less at home in a bazaar than Sir Ian, Lord Carrington or Mr. St. John-Stevas.

The atmosphere which surrounds the utterances of the Tory paternalists is hardly civilisation at all, but at best connoisseurship. It is the nose-wrinkling superiority of people who would not have had Beethoven or Turner in their drawing rooms, and who would have preferred the elegant court composer Salieri to some "frightfully dreary little man" like Mozart.

The most unscrupulous part of the current propaganda—because it was started by people like Mr. Denis Healey, who should know better, as well as by Conservative politicians who don't understand the issues at all—has been to take "monetarism," which was a technical term and turn it into a scare word. So much so that Lord Chalfont, I am sure in all innocence, used the word in a recent television programme to mean opposition to a mixed economy and any kind of welfare state.

This, of course is just wrong. Monetarism is about the relation between money and prices; and it has also developed into a critique of postwar full employment policies, saying that attempts to spend ourselves into target employment levels would lead eventually to ever-increasing inflation with no benefit to employment.

This last point seems to fit experience all too well, self-styled empiricists might note. But I am not here concerned to argue to what extent monetarism is right or wrong; simply to inform anyone who remains interested in honest debate that it is nothing to do with the welfare state, the supposed incentive effects of income tax cuts, the ownership of industry, the soul of the British Conservative Party or the nature of ultimate reality. Monetarists can and do take any number of views on all these matters.

Nor is monetarism the same thing as the world outlook of Professor Milton Friedman, which covers far more besides, and which certainly does not have to be accepted or rejected in toto. Unfortunately the vilifiers have succeeded so well in blacking the word that "monetarism" is now simply a word of abuse for the general public. A new term will have to be invented.

More harmful in practice is the almost universal myth that there is something called government or the state, which can provide or do things for people. This comes out clearly in the steel dispute where some people are howling that the Government should be more generous. It so happens that I have been critical of the Government's handling of this from an early date (Economic Viewpoint, January 10) on the grounds inter alia that steel workers were being asked to move towards market determined wages, when other groups from miners to teachers, public sector clerks and dustmen are exempt from such pressures under Clegg or by others.

SIR IAN GILMOUR
A Tory paternalist

MR. JAMES PRIOR
Incredible argument

But aid for steel workers to ease the contractionary pains of their industry is not a question of how generous a group of people around the Cabinet table are to be, but how generous you and I want to be. Are we, the citizens of this country prepared to pay more tax or forego other public services for the sake of the steelmen? (And the same goes for the other groups mentioned.) If the question were put in this way, there might be a little less emotional and physical blackmail.

That is why Mr. Callaghan is doing such harm by saying that another £20m on the Public Sector Borrowing Requirement to settle the steel strike would not matter. (Would that it were so cheap!) Of course there is no magic in any particular number for the public sector borrowing requirement, which can be defined in innumerable different ways. But if the PSBR definition were different and the limit were even £20bn higher, it would still be true that more of one thing meant less of something else. Some conventional yardstick is required to bring home this truism before we go the way of Weimar.

But the most perverse position of all is that the law should have as little as possible to do with the unions. Any libertarian wants to minimise legal restraints all round. The argument, incredible though it is, on which Mr. Prior has battled for the "doves" refers to the degree to which unions should be immune from laws which apply to other bodies and individuals.

There is room for more than one opinion about how best to tackle union monopoly power. But about the lowest point in the political back-biting of the past few weeks has been the view, attributed to Ministers in Press articles, that radical measures would "lead to a general strike." It is certainly prudent for Ministers in their innermost councils to minimise the chance of such a constitutional clash of wills. But a Minister who can use general strike threats in a routine Press briefing against his own colleagues has no place in any government, whether a Conservative, Lib-Lab, or Socialist. Mrs. Thatcher will be Prime Minister in name alone so long as any Minister is regarded as indispensable, however he behaves.

When one moves towards more rarified pastures, one comes against an immediate obstacle. One difficulty in coming to terms, for instance, with Sir Ian Gilmour's Cambridge speech is that it is argued in terms of that elusive metaphysical substance, the true nature of Conservatism. (I used to have a similar difficulty with the Labour debates of the Crosland era.) For most of us, including, I would guess, many card-carrying party members, political parties are instruments for carrying out ideals as well as interests, not ends in themselves.

Sir Ian's artillery of highly selective quotations, rather than argument, is devoted to attacking that figure of straw "the nightwatchmen's state." In fact, hardly any of the great market economists has ever advocated any such thing. No one listening to Sir Ian would suppose that Professor Hayek, his special target, had devoted about a third of the Constitution of Liberty to the duties of the state—like Adam Smith before him.

The Lord Privy Seal is welcome to the ghost of Disraeli, but I draw the line when he calls in aid David Hume, the greatest speculative mind of the 18th century and a pioneer of both the quantity theory of money and prices, who demolished the perennial arguments for governments controlling trade—as an alleged opponent of abstract political speculation.

The danger of any body of doctrine being misunderstood and vulgarised in political application is, of course, great.

Nevertheless, the so-called pragmatic approach of taking decisions on their individual merits or "on the facts" is a logical impossibility. Specific judgments cannot be made in a vacuum but involve implicitly both broad empirical judgments of the effects of different types of situations and policies, and value judgments about the desirability of different types of outcome. [Sir Ian's "ideology."]

Paradoxically, it is just because the principles of evaluation of the political empiricist are likely to be vague, muddled and inconsistent that his decisions are most unlikely to be related in any predictable way to any particular set of facts. Simply to quote Burke on "moderation" being the "virtue of superior minds" is a declaration of intellectual bankruptcy. For it is an abdication in favour of others who set the terms of the debate in which the moderate seeks to mediate.

My own difficulty with writers such as Hayek or Friedman is that so far from providing rigid dogmas, they still leave one in the air on policy yardsticks. A great number of other writers, hardly ever mentioned in the current media battle, have worked very hard, by methods other than quotations from Burke, on the idea of a "social" or "corrected" market economy. I may be forgiven for prejudice in favour of my own guidelines in Capitalism and the Permissive Society (Macmillan, 1973), from which what follows is largely taken.

"The vague term 'guidelines' has been deliberately used in preference to 'principles.'

"(1) Individuals should be regarded as if they are the best judges of their own interests, and policy should be designed to satisfy the desires that individuals happen to have, excluding desires to coerce or downgrade other people. Our best chance of doing it is through the 'corrected market economy.'

"(2) These corrections and interventions should as far as possible take the form of impersonal general rules with a minimum of discretionary power by publicly appointed officials—or private bodies engaged in backstage pressure—over their fellow men.

"(3) We should try to limit the domain of political activity even though we cannot mark out exact boundary lines in advance.

"Allied with these presumptions go certain rule-of-thumb maxims of a lesser state but still worth mentioning in a summary. These include: Look for any self-adjusting mechanisms, whether natural or contrived wherever possible; if the mechanisms, you find are unsatisfactory, seek to modify their operation rather than to replace them by directives and prohibitions. Again: It is safer to rely on people's private interests rather than their professed public goals.

"A further useful maxim is: Irresponsible bodies exercising power, but subject neither to the disciplines of the market-place nor to open, political scrutiny and control, are to be avoided.

"The whole outlook favours the pursuit of prosperity, provided that that is what people want, and prosperity is interpreted in a non-mechanistic way to include leisure, amenities, congenial working conditions and all the other aspects of living standards which do not show up in GNP figures.

"A sensible economic liberal will not refuse to compromise. The test of his judgment is to pick the compromise that is second or third best, rather than fourth or fifth best, from the point of view of his beliefs. But before one can begin to compromise one has to have some idea of where one would like to go."

Samuel Brittan

Letters to the Editor

The right to work

From Mr. J. Butcher.

Sir,—Section 15 of the Trade Union and Labour Relations Act 1974 does not discriminate between the right of pickets to peacefully persuade people to work, or not to work. Exercising my rights under this Act, I stood outside the main gate of Grunwick one morning in August, 1977 to peacefully persuade that company's employees to work there. I stood alone.

Your Labour Editor reported on February 20 that "Picketing is when people stand outside factory gates in order to stop other people working or moving goods in and out."

TV pictures showed the pro-work ladies of Sheerness standing across the road from the front gate of their local steel works, whereas the anti-work pickets were standing on either side of the gate, with police in attendance.

It is quite wrong for the police to discriminate between pro- and anti-work pickets and each lot should be allowed to stand on different sides of the gate, with a sufficient gap between them to avoid conflicts. As for the gap, well that is available for those who wish to use it to pass into or out of the factory!

John V. C. Butcher.
16, Marsham Court,
Marsham Street,
Westminster, SW1.

Fourth TV channel

From Mr. N. Baker, MP

Sir,—Mr. Derek Bloom, chairman of the Incorporated Society of British Advertisers fourth channel working party, maintains (February 12) that the control presently exercised by the Independent Broadcasting Authority would be sufficient to prevent a ratings war coming about on the fourth channel.

But is this really the case? It is of course undeniable that these controls are now exercised over ITV1 which is indeed engaged in a full-time ratings war with BBC1.

Surely the point is that competitive sale of airtime involves, albeit indirectly through the ratings, steady and ineluctable pressure for programmes which will compete with those on the other channel. Standards will fall as they have in the past.

The whole purpose of the Government's fourth channel proposal, which derives from the report of the Annan Committee, is that the fourth TV channel should be as independent, non-competitive and uncommercial as possible.

Whether the Government's proposal will achieve this is open to doubt but the result of a competitive fourth channel would result in the kind of ratings war which no one professes to want.

Nicholas Baker.
House of Commons, SW1.

Stock Exchange Examinations

From Mr. N. Rice

Sir,—I would agree with Mr. Bradshaw (February 15) that a more open discussion of the Stock Exchange exams and the requirements for membership is desirable. Mr. Bradshaw, however, implies that to be elected to membership of the Stock Exchange one only need pass the exams, whereas the rules specify that, as a minimum, three years of experience in a member firm are necessary.

My case illustrates the possibilities for a thorough training. Before joining the international department of a leading London firm I graduated in accounting and had some post graduate professional experience but I was trained in all the firm's departments, such as settlements, dividends, contracts and was given some market experience. Surely, then, it is for the member firms to recruit people with a reasonable academic background and "an ability to think and speak clearly" and then build on these basic abilities whilst developing the individual.

I would also dispute that the present system of Stock Exchange exams is absurd. I have found each exam has required extensive study and has covered areas of broking which frequently prove valuable in practice. Naturally, it will take some time to establish the most appropriate format, syllabus and standard of exams but I would argue that the council has made a lot of progress in the ten years it has been setting exams.

Mr. Bradshaw appears to be saying that some current members would probably not be capable of learning the rules—which incidentally only form part of one of the four papers—that are supposed to govern the way they conduct their business.

Nigel J. T. Rice.
11, Cherrywood Court,
Cambridge Road,
Teddington, Middlesex.

Arbitration on entry

From Mr. R. Arkell.

Sir, — I refer to your correspondent H. Bradshaw's comments (February 15) in connection with the present Stock Exchange examinations.

As you may know, these examinations were introduced some 10 years ago as a completely new departure for potential entrants to the London sector of the Stock Exchange.

Like many relatively older entrants during this time, I felt that the examinations constituted an extremely unwelcome hurdle and was inclined to feel that a degree qualification (but not merely good 'O' Levels) should be acceptable as a means of exemption. Having successfully negotiated the exams, however, I feel that I can in no way share your correspondent's views. I have in fact subsequently found the subject matter in each of the four cases strictly relevant to the work involved and find myself at a complete loss to discover why an "ability to learn parrot-wise lists of archaic rules and regulations" has anything at all to do with the requirement.

No one would deny Mr. Bradshaw's contention that clarity of speech is an important requirement, nor that foreign languages constitute a great advantage but nevertheless it seems likely that these qualities alone plus experience would not be acceptable by the average stockbroker's client as a sufficiently broad base for giving investment advice. Further, he might possibly feel that the ability to make simple personal taxation calculations, to interpret company reports and accounts and to be familiar with the general techniques of investment are necessary prerequisites for the job which he would like his stockbroker to do. These are precisely the subjects which the examinations cover.

Many members might perhaps agree that with the quickly changing character of Stock Exchange practice, that this particular examination assumes a much reduced importance in terms, of its subsequent relevance; in any event this particular aspect must be an essential part of the training given by member firms.

Otherwise if the exams constitute an arbitrary means of entry as Mr. Bradshaw suggests, they seem to me to be fulfilling exactly the functions for which they were no doubt designed: they arbitrate between those who are prepared to acquire the knowledge to pass them and those who are not.

R. J. Arkell,
Middle Farm,
Wotton Underwood,
Nr. Aylesbury, Bucks.

Wide education needed by British engineers

From Professor D. Garbutt

Sir, — Sir Monty Finniston's recent report diagnoses the key differences between Britain and its competitors as lying "in the differing emphasis given to the specification and qualities of the products made and in the way they are manufactured." In other words in the work of engineers. I take this to be a criticism of engineers (some of whom may be expected to design motor cars).

Whenever people — British Steel or the engineering profession—are looking for large sums of money to be invested in them, they must turn to someone for the finance.

As Sir Monty's report points out, proposals for innovation are characterised by high capital expenditure and "returns which may not accrue until long after the initial investment; moreover for every success there are many failures." The report does not remark that on the financial fact that if some projects fail, then the return on the successful projects needs to be so much higher if a satisfactory return on investment is to be obtained on long-term investment, as a whole.

The Wilson Committee evidence shows that there is no shortage of finance for industry. The shortage is in profitable projects. So far as public funds go, however, there is a shortage and if more resources are to be diverted to engineering education they must come from somewhere. Ultimately, the investor must trust the judgment and capacity of the supplicant for funds. Those businesses which are efficiently operated—and I know a lot, even in this part of the world — will not experience difficulty in obtaining finance.

Unfortunately, from some viewpoints, people holding the purse strings tend to turn to accountants for expert advice on investments and accountants usually look at the track-record of those seeking financial support.

If the education of engineers has been failing, will more money solve the problem? Should they get it?

The Finniston Committee is looking to the Government to finance a highly ambitious scheme for improving the quality of engineers. One accepts that an improvement of quality is necessary and that some long-term plans should be made. But the disappointing thing about Finniston is that the central theme is that it is the social valuation of engineers that must be changed. This theme goes back over a 100 years in the UK. I doubt its validity.

The accounting profession illustrates the point. Far less public money has been poured into educating accountants than engineers, yet the prestige of the profession has risen markedly. Social prestige, it appears, can be earned by performance.

The state of British manufacturing industry is such that the main emphasis must be, for the moment, survival by making the best and most cost-effective use of what we already have. The present emphasis should be on raising the productivity. If Sir Monty's engineers do this, they will then have a case for more investment and also, the incidental benefit of avoiding the accountant in his least attractive role of liquidator!

What is needed from engineers is that the necessary skills of financial and economic analysis should be incorporated into the essence of their work. One old definition of an engineer is "a man who can make for £2 what any fool can make for £5." For some British engineers brought up in education and industry to see finance as a limitless resource, the problem is that they have got it wrong. They can make for £5 what any fool could make for £2!

To give Sir Monty and his committee their due, they do diagnose the need for companies to have "high calibre staff skilled in technology and finance" but they go on to water this down by adding "or, at least, that individuals with the separate skills are brought together in the functions and counsels where their expertise can make its impact."

The Finniston report contains much that is valuable but its recommendations suffer from the fatal weakness of a committee almost exclusively composed of engineers and notable by the absence of a leading accountant and economist. At one place, the report argues that "national wealth is not going into industry in anything like the volume required to reverse its downward slide" and recommends that "the Government should endeavour to foster an environment more conducive to financial investment." In my view, this shows a complete lack of understanding of the way in which the financial market assesses the risks and opportunities for investment.

The conclusion I draw from the report is that the real need is for an immediate crash programme of training in finance and managerial accounting for engineers and teachers of engineering. This initial injection of expertise needs to come from outside a profession which, as its record shows, has become complacent and unresponsive to the needs of the time.

(Professor) Douglas Garbutt,
Dundee College of Technology,
Bell Street, Dundee.

Today's Events

GENERAL

UK: Management and unions meet for water workers' pay talks.

Organisation of Petroleum Exporting Countries starts two-day long-range planning meeting in London.

Mr. Reubin Askew, President Carter's Special Trade Representative, speaks at a Trade Policy Research Centre dinner, London.

Prince Charles visits board of Inland Revenue, Somerset House, WC2.

Two-day auction starts of rare historical documents and autographs, including Nelson, James I, Florence Nightingale and Emmeline Pankhurst, Stanley Gibbons, Russell Street, WC2.

Overseas: TUC delegation meets Mr. Henk Vredeling, EEC Commissioner for Social Affairs, and Viscount Etienne Davignon, Commissioner for Industry, to discuss EEC aid for coal and steel, Brussels.

Mr. Cyrus Vance, U.S. Secretary of State, in Paris and London for talks on Afghanistan.

PARLIAMENTARY BUSINESS

House of Commons: Debate on airports policy.

House of Lords: Protection of Trading Interests Bill, report stage. Sea Fish Industry Act 1970 (Increase in Rate of Levy) Order 1980.

Select Committees: Agriculture. Subject: Economic, social and health implications for the UK of Common Agricultural Policy on milk and dairy products. Witnesses: The Dairy Trade Federation. Room 16, 11 am. Home Affairs. Sub-Committee on Race Relations and Immigration.

OFFICIAL STATISTICS

Public sector borrowing requirement and details of local authority borrowing (fourth quarter). Capital expenditure by the manufacturing, distributive and service industries (fourth quarter—provisional). Manufacturers' and distributors' stocks (fourth quarter—provisional).

COMPANY MEETINGS

Brooke Tool Engineering, Great Eastern Hotel, Liverpool Street, 2.30. Dobson Park, Albany Hotel, Nottingham, 12. Greenall Whitley, Lord Daresbury Hotel, Daresbury, Nr. Warrington, Cheshire, 12. United Guarantee, Winchester House, 77 London Wall, EC, 12. Thos. W. Ward, Royal Victoria Hotel, Sheffield, 3. Westland Aircraft, Hyde Park Hotel, Knightsbridge, SW, 12.

Carrington Viyella falls £6m in second six months

A SECOND half slump from £9.42m to £3.4m has left taxable profits of Carrington Viyella, textile manufacturer, well down from £14.51m to £8.49m for 1979. Despite a higher share of associates' profits of £2.66m (£83,000), there were increased reorganisation costs of £2.44m against £702,000, and interest charges, up from £5.89m to £8.37m.

Mr. L. Regan, chairman, says the current year will benefit from the elimination of loss making sectors, and the group will continue "the drive to reduce internal operating costs and improve efficiency."

Attributable profits came out at £4m, compared with £10.4m, after tax, preference dividends, and an extraordinary debit of £1.77m for the period arising from the sale of an Italian subsidiary, Carrington-Tesit.

The final dividend is 0.4p leaving the total payment more than halved at 1.1p (2.35p) net per share. Earnings are shown as 3.18p (5.68p).

Profits were unchanged midway at £5.9m but the directors warned of the effects of higher VAT, increased interest rates, inflation, together with an expected recession in the U.S.

External sales were £312.8m for 1979, the previous total of £322.7m including £26.7m from Consolidated Textile Mills, now an associate—attributable profit to the group was £2.7m (£0.8m).

	1979 £000	1978 £000
External sales	312,792	*322,706
Profit	16,645	21,022
Reorg. costs	2,437	702
Associates' share†	2,659	83
Interest	8,374	5,894
Pre-tax profit	8,493	14,509
Tax	2,202	3,339
Minorities	—	255
Pref. dividends	513	513
Attributable	4,006	10,402
Ord. dividends	1,997	4,264
Retained	2,009	6,138

* Includes £26.7m from CTM. † Includes £2.5m (£0.8m) from CTM.

Investment is being cut back to £8m in the current year, compared with nearly £12m, and £16m in 1978.

Mr. Regan blames the difficulties of 1979 on the continuing high level of imports, in particular from the EEC's Mediterranean Associates. In carpets, where the Donaghadee operation lost £2m, problems have been caused by the discount war among high street carpet retailers, the consequent pressure on manufacturers margins, and by the increase in American imports into the UK, he states.

The overall pattern within the group is mixed however, with some parts performing well.

There were better results from the garments division, with profits up from £3.8m to £5.1m, and the Dorma household textile operation also remained strong.

Women filament also improved profits, the chairman says, and the group, which registered exports of £43m, increased its shipments to Europe by 10 per cent despite the high value of sterling.

The group is planning to shift the emphasis within its carpet operations away from the bottom end of the market towards higher quality products.

The Carrington carpet brand name is being promoted and a move into the car carpet market is planned, the group is hoping to capitalise on the links it already has with motor manufacturers through its car seat fabric business.

Carrington will be seeking in other parts of the business to respond quickly to changes in the market place, Mr. Regan says. Current demand at retail level appears fair he adds, but it will be several months more before the trend for the rest of the year can be accurately forecast.

As at December 31, the group's balance sheet shows fixed assets at £73.27m (£72.15m) and net current assets of £83.17m (£85.27m)—overdrafts and short term borrowings increased from £11.05m to £19.02m. Net assets totalled £164.98m (£163.66m).

See Lex

HIGHLIGHTS

Carrington Viyella, one of Britain's largest textile groups, has drastically cut its dividend and is battening down the hatches. Lex discusses the group's tactics in the face of the squeeze and suggests that the coming results season will reveal a number of other companies in much the same position. Elsewhere the Lex column comments on the further international signs of rising money rates, this time in Europe, and comments briefly on the difficulties of the discount houses, of which one—**Gillett Brothers**—reported yesterday with lower profits and dividends. Finally Lex gives advice on the **Blue Circle** offer for **Armitage Shanks**. On the inside pages **Anglia TV's** latest figures show the ravages of the TV strike, but profits are recovering rapidly this year.

BRITISH TAR

Holders of British Tar Products' £500,000 10¾ per cent second convertible unsecured loan stock 1992 have converted their holdings into ordinary shares and 1,612,899 ordinary shares have been issued.

As a result of this, Pension Funds Securities "A" account now holds 2,043,961 ordinary shares representing 12.64 per cent of the enlarged share capital.

Better trend at Anglo African

FOLLOWING THE downturn in first-half pre-tax profits from £124,504 to £87,809, Anglo-African Finance Company, securities dealer, made some recovery in the second six months, to end the year to July 19, 1979, slightly lower at £199,962, compared with £205,095.

Results include dividends of £39,385 from Dewhurst Dent, of which the company held 45.46 per cent at July 19.

Stated earnings per 7½p share were little changed at 1.57p against 1.59p, and the dividend for the year is kept at 0.75p net per share.

Construction Holdings passes £0.28m

In the 15 months to September 30, 1979, pre-tax profits of Construction Holdings, consulting engineers to metallurgical industries, was £287,189 after a surplus on realisation of investments amounting to £116,308. Turnover was £174,537 and tax charged amounted to £89,935.

Pre-tax profits for the previous 12-month accounting period were £282,208 from turnover of £188,233. Then there was a surplus on realisation of investments of £157,348 and a tax charge of £72,107.

Stated earnings per 20p share are 20.8p against 22.1p in the previous 12 months. A net dividend of 9.5p (7.035p) has already been paid for the period.

Anglia TV falls by £0.9m but sees quick recovery

DUE TO the TV strike pre-tax profits of Anglia Television Group fell from £1.65m to £0.7m in the second half of the year to October 31, 1979, leaving the 12 months figure some £0.89m lower at £2.72m.

However, the directors say that results for the current year should return to a more satisfactory level. Inflation and further investment in programmes will inevitably increase costs, but advertising revenue continues to improve and there should be further contributions from the sale of programmes and non television activities.

Turnover for 1978-79 totalled £19.3m (£20.3m) and profit was struck after Exchequer levy of £1m (£3.12m) and associated profits of £358,000 (£264,000). Depreciation and amortisation charged amounted to £918,000 (£750,000). Tax took £1.19m (£1.87m) and after extraordinary items and minorities the attributable balance emerged at £1.54m against £1.71m.

Earnings per 25p share are stated at 11.39p (12.92p) and the final dividend of 2p net effectively raises the total payment from 3.14453p to 3.572p.

The directors report that the group continued the expansion of its programme making capacity and the sale of programmes made a significant contribution to turnover, especially overseas which totalled £19.6m. Profits from non television sources also increased.

Profit on sale of investments, treated as an extraordinary item in previous years, has now been included in the profit before tax and comparative figures have been adjusted accordingly; resulting in an increase of £47,000 (£73,000).

The directors believe that no apportionment is likely to arise as a result of the company's close status for tax purposes.

● comment

Second half profits more than halved and a fall in turnover of a fifth from Anglia are the telling figures of the 11 week strike. Nationally TV advertising revenue fell a third in the six months to October — Anglia's second half. However the company has more than participated in the post-strike recovery which has produced a rise in the industry's advertising revenue of 40 per cent in the November to January quarter against the same time a year ago. Anglia will also have the benefit of a rate card increase of around 12 per cent instigated last autumn, and obviously discounts have gone out the window. So the next set of figures should look impressive indeed. There is always a question mark over long term advertising trends but Anglia should be on its way to producing profits comfortably over £4m this year. Overseas programme sales remain impressive and profits from same are good and should be better this year with the addition of drama sales to the Survival series. Elsewhere virtually all the increase in associate profits comes from the buoyant Sodastream operation. Long term there are clouds over the industry — franchise decisions, ITV2 and now the way the levy will be calculated seems to have been added to the melting pot. Share prices will reflect the uncertainties yet Anglia's p/e of 5.7 and yield of 7.9 per cent at 67p makes it one of the more attractive companies in the sector.

Daejan Holdings pushes ahead to £2.9m at interim stage

FOR the six months to September 30, 1979 pre-tax profits of Daejan Holdings show a £0.78m advance at £2.93m. After allowing for special provisions the directors forecast that full year profits will be at a similar level to those for last year.

Half year earnings per 25p share are up from 7.33p to 11.49p and, as already announced, the interim dividend is lifted from 1.1725p to 1.225p net. Last year's total payment was 3.25p.

Rental income and charges receivable, less property outgoings, amounted to £2.47m (£1.91m) at half-way. Profit was struck after surplus on sale of properties £3.28m (£3.98m), other income £146,000 (£101,000) and finance charges, other expenses, etc., of £2.96m (£3.83m).

The attributable balance advanced from £1.2m to £1.87m, after minorities and tax of £1.05m (£0.95m).

ASSOCIATES DEALS

E. R. Lewis and Co. has sold 1,076 Decca at 623p for an associate of Decca.

S. G. Warburg and Co., as an associate of Imperial Continental Gas Association, bought on behalf of discretionary investment clients, 5,000 capital stock units of ICGA, at 732p.

United Real improves to £862,000

ALTHOUGH GROSS rental and service income was lower at £1.19m against £1.25m, pre-tax revenue of United Real Property Trust improved from £778,000 to £862,000 for the half-year to October 5, 1979.

Tax charge was up from £380,000 to £462,000 and after minorities, net revenue was little changed at £395,000 against £397,000.

The net interim dividend is pegged at 1.25p per 25p share, absorbing £150,000—last year's total was 6p from pre-tax revenue of £1.51m.

The company has "close" status.

	Half year 1979 £000	1978 £000
Gross rental & service income	1,193	1,256
Property outgoings	301	320
Interest receivable	278	215
Administratn. expenses	52	55
Mortgage & unsecured loan interest	311	311
Depreciation, etc.	20	22
Exchange debits	5	10
Share of assocs. pfts.	†80	26
Revenue before tax	862	778
Taxation	462	380
To minorities	5	1
Net revenue	395	397

† Includes £59,000 being half the group's share of an exceptional profit realised by an associate during the current year.

Roche Plant in first step back to full quotation

DEALINGS in the shares of plant hire group Roche Plant begin today under Stock Exchange Rule 163(2), a limited form of quote which has no reporting requirements. The full quote of the ordinary shares, suspended since 1973 when the group was called Webb-Nash, was cancelled yesterday.

The company says that the new quote is the "prelude to a full relisting," which will be sought under the aegis of County Bank and broker Hoare Govett. The reintroduction will be sought on the basis of the current year's accounts, probably in a year's time. The directors say they have no plans to seek new capital in the market, at least until after the reintroduction.

A full quote is not being sought immediately, because of the administrative difficulties involved in preparation of a prospectus, the directors explain. However, they have sought the 163(2) listing in the meantime because they feel that the company is now well settled into its present activities, and they are anxious to provide a market for shareholders.

At the time of the suspension, the company was involved in general engineering activities, and had suffered three consecutive years of losses. Since then, it has liquidated many of its original assets and investments, and built up its specialist plant hire business through acquisition.

The group concentrates on hire to the non-construction sector, and has £2.7m invested in plant, putting it in the top 40 UK plant hire companies.

Details of the share listing were given at yesterday's annual general meeting by Mr. John Chiswell, chairman. The directors reported profits for the year to October 1979 of £209,000, on turnover of £3.8m. Barring unforeseen circumstances, the directors expect improved profits this year.

Bertrams ahead but again no final dividend

Pre-tax profits of Bertrams, the Scottish paper and board machinery manufacturer, improved from £67,128 to £85,658 in the year to September 30, 1979. Turnover was up from £2.65m to £3.42m.

At mid-way, the group recovered losses of £74,997 to a £78,024 profit and resumed dividends with a 1p interim payment.

No final dividend is payable, and the directors state that consideration as to the payment of an interim for the year to September 30, 1980 will be deferred until the results for the current half year's activities, which are operating at a high level, are known.

SPAIN

February 20	Price %	+ or −
Banco Bilbao	227	+4
Banco Central	254	+4
Banco Exterior	217	+3
Banco Hispano	228	+5
Banco Ind. Cat.	135	
Banco Madrid	167	
Banco Santander	268	+4
Banco Urquijo	177	+4
Banco Vizcaya	238	+4
Banco Zaragoza	208	+3
Dragados	101	
Espanola Zinc	62	
Fecsa	57	+0.3
Gal. Preciados	35.5	
Hidrola	62.7	
Iberduero	59.7	
Petroleos	113.2	−1.8
Petroliber	68	−4
Sogefisa	115	
Telefonica	54	−0.2
Union Elect.	62.5	

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Anglia Television	2	April 28	1.75*	3.57	3.14
Anglo-African Finance	0.75	May 15	0.75	0.75	0.75
Berisfords	3.6	April 18	2.09	3.8	2.89
Bertrams	nil	—	nil	1	nil
Carrington Viyella	0.4	April 18	1.65	1.1	2.35
Foreign & Col. Invest.	1.95	April 8	1.64*	2.95	2.28*
Gillett Bros.	3.5	—	10.25	10.5	16.95
Roan Consld. Mines int	0.15§	April 2	—	—	0.12
Romney Trust	2.7‡	March 31	2.2	3.7	3
Scottish & Merc. int	1	March 28	1	—	4.75
Utd. Real Property int	1.25	April 10	1.25	—	6
U.S. Debenture	2.78	May 27	2.9	5.68	4.05

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus special dividend of 0.69p. § Zambian kwachas throughout.

NEW LIFE BUSINESS

Standard Life pays record bonus rates

Policyholders in the Standard Life Assurance Company are to receive record bonus distributions for the year ending November 15, 1979 at a cost of £64.7m as a result of the latest declarations. The company, the largest mutual life company in Scotland, spent £56.5m on its 1978 bonus declarations.

On ordinary with-profits policies, the new bonus rate is £4.40 per cent of the basic sum assured, plus £5.25 per cent of attaching bonuses. This compares with the 1978 rates of £4.25 and £5 respectively.

Thus the company has widened slightly the bonus rate differential between that applied to the basic benefit and that applied to attaching bonuses. Such an acion gives progressively higher bonuses to the longer term contracts.

The company has also improved its terminal bonus—called the special claims bonus—which is paid on death or maturity claims. The scale is a complex one relating to the number of years a policy has been in force. It is expressed as a percentage of the sum assured and attaching bonuses.

These higher reversionary and terminal bonus rates reflect the buoyant investment income received by the company last year, both form high yielding gilts and higher equity dividends. Standard Life has over the years been a major investor in property, including developments, and its property portfolio showed a steady increase in value last year. This is likely to have been a major factor in determining the higher terminal bonus rates.

The effect of this bonus rise can be seen from the following example:—A 25-year policy taken out by a man aged 29 for a monthly premium of £10 gross, will have a maturity value in March of £8,936 compared with £8,618 for a corresponding policy maturing a year ago—a rise of 3.4 per cent.

On its personal pension policy, the bonus rates for annual premium contracts is lifted by 40p from £5.60 per cent to £6 per cent of the basic benefit and attaching bonuses, while for single premium plans the rate is improved by 65p from £5.10 to £5.75 per cent compound. Similar rates apply to the executive pension Stanplan A.

The company has also made substantial increases in bonuses on group pension schemes and its additional voluntary contribution scheme.

Scot. Mutual raises 3-year bonuses

Record rates of reversionary bonus have been declared by The Scottish Mutual Life Assurance Society on all with-profit contracts, for the three years ending December 31, 1979.

On assurance policies, the rate applicable to the basic benefit is lifted from £3.80 to £4.25 per cent per annum, with an unchanged rate of £6 per cent per annum on attaching bonuses.

On ordinary pensions business, the basic benefit bonus is improved from £4.10 to £4.75 per cent per annum, while the attaching bonus rate rises from £6 to £6.50 per cent per annum.

For group pensions business the bonus is £45 against £30 per £100 pension for each year in the triennium. Interim reversionary bonuses will be on the same rate.

However, the company is keeping its terminal bonus rate for death or maturity claims during 1980

Berisfords down slightly with £1.06m at full-time

A DROP in second-half profits from £682,590 to £538,030 at Berisfords, ribbons, trimmings, labels group, has left the full year's taxable figure down slightly at £1.06m, compared with a record £1.15m.

Net profit, however, for the period ended November 24, 1979, emerged higher at £1.3m (£1.08m) after a tax credit of £245,677 (£67,913 charge).

Turnover expanded from £8.58m to £10.18m.

The directors state that the 1980s are likely to be years of consolidation when the group should see the benefits of its modernisation programme, and compete effectively in world markets.

Berisfords will also be poised for further growth or acquisitions if the opportunity arises, they add.

Earnings are shown as 32.2p (26.8p) per 25p share. The dividend is increased from 2.89p *to 3.8p net, with* a final payment of 2.6p, and will cost £153,900 (£116,969).

The directors *say they* are worried by the continued increase in imports of clothing from the Far East and from low-cost Mediterranean countries, and feel the closure of Courtaulds' last UK viscose yarn producing factory at Preston, which has been one of the company's sources of supply *for raw material*, constitutes a serious problem.

Berisfords will now have to import yarn at higher prices and maintain larger stock holdings.

The printed label business of P. P. Payne, which complements the group's woven label production, was acquired during the year but was too late for any benefit to results. Some teething troubles have now been overcome *and a significant increase* in turnover is anticipated for the whole of the division in 1979-80.

New dyeworks at Congleton is in production, the directors state, following a major operation involving considerable capital expenditure.

The embroidery side has been expanded, machines having been installed at Congleton, and with a good order book some return is expected before long, they say.

Considerable interest is *being* shown in the 60,000 square feet property.

CHLIDEMA CARPET

It is expected that the manufacture of carpets by the Kidderminster-based Chlidema Carpet Company will end on Friday say the joint receivers and managers, Mr. Alan Milnes and Mr. Roger Dickens of accountants, Peat, Marwick, Mitchell and Co.

They are realising the stocks.

Robert Horne soars 82%

AN 82 per cent increase in pre-tax profits from £1.64m to £2.9m is reported by the Robert Horne Group, paper merchant, for the year to September 30. 1979. Turnover was up 28 per cent from £43.9m to £55.64m.

A packaging subsidiary was sold during the year and this produced an after tax profit of £303,000.

The group has been involved in a major £2.5m investment in doubling the size of its Northampton warehouse and in enlarged computer facilities which link the 17 UK trading depots.

Mr. Kenneth Horne, the chairman, says the increased capacity of the warehouse will make it the largest of its type in Europe. He is confident that this investment will help the company expand during 1980, and directors will look for opportunities to diversify distribution.

Tax charged during the year increased from £565,000 to £886,000, and after the extra-*ordinary credit*, £303,000, and minorities the attributable balance came out at £2.3m (£1.06m).

A final dividend of 4p has been recommended, making 10p for the year which will cost £127,000 (£125,000).

The amount retained was £2.17m (£933,000).

Fixed assets are shown as £2.55m (£2.23m) and net current assets were £5.57m (£3.17m).

Winding-up orders for 42 companies

Compulsory winding up orders *against 42 companies have been* made in the High Court. They were:

Hadrian Construction (London), Alan Aldcroft (Mobile Video), Montague Kent (Overseas), Munaf, Damian House Discount, Clay Colourvision, and Neilcott Construction (Western).

Herts Dry Wall Lining (Contractors), Aerac (Engineering Services), Mukhtar and Sons, Philbourne Finance, Heap Lee *Enterprises*, Russell and Co. (Furniture), and MES Contracts.

Caincrest, Bracepride, PJD Nurseries, Similor, Bowflax, Winarick (UK), Redmead Heating, Impressarios, James W. Tait, and Cliftonbeck.

Clitom, East Midlands Automatic Machine Company, Diesel Generating Company, Adam Whitehurst Co., Highway Signs, Silmoor Mouldings, and Dolorshaw.

Porsena, PMD Knitwear, Logona Building Contracts, Monoframe (Finance), Monoframe (Marketing), and Seaclear Enterprises.

Wade Martin, Tadley Glass Company, Chorelynn-Direct Mail, Paramount Advertising, and Teencare Properties.

Smyth & Co. opts for liquidation

SMYTH AND CO., the Dublin-based *hosiery knitwear and* underwear company, is to be voluntarily wound-up.

Losses in 1979 reached £40,000 compared with £5,160 in the first half and with £15,304 in 1978. In a letter to holders Mr. W. J. Hammond says that all alternatives to liquidation were explored but the picture for the *current* year was one of continuing losses and increasing borrowings.

The chairman explains that the Irish clothing industry has suffered from substantial cost increases; a big rise in the numbers of cheap imports; and the dumping of knitted and hosiery garments on the Irish market *by British manufacturers*.

An EGM is to be held on March 10 to wind up the company and appoint Mr. William McCann as liquidator.

Scott Hale (Contractors) of Romford, Essex, has also announced that it is going into voluntary liquidation "as a result of heavy and continuing *losses on contracts*."

The plant hire and ready-mix concrete activities of Scott Hale will continue at Basildon. The Scott Hale companies are being advised by Touche Ross and Company.

RANK BONDS

On February 15, The Rank Organisation purchased $385,000 in nominal amounts of its 8¾ per cent bonds 1986. A total of $16.665m in nominal amount of the bonds remains in issue.

Gillett Bros. cuts dividend

THE directors of Gillett Brothers Discount Company have reduced the final dividend from 10.251p to 3.5p per £1 share making a total of 10.5p for the year ended January 31, 1980, compared with the previous *year's 15.951p*.

The dividend cut is in order to help maintain the company's resources so as to be in a position to benefit from any future decline in interest rates, the board states.

Group balance for the year after tax and transfer from contingencies was £110,666 compared with £212,932 which in 1978-79 was after tax and a transfer to contingencies. Dividends this year absorb £292,574 against £468,563 and £44,917 *(£226,825)* is carried forward.

The balance sheet shows bills discounted amounting to £164.67m (£192.66m) and £103.3m (£46.41m) contingent liability on commercial bills rediscounted.

Total capital and published reserves are £4.46m against £4.64m. Sterling and dollar certificates of deposit and currency instruments amount to £3.41m (£11.42m), listed investments £12.81m (£8.05m) and goodwill less amounts written off £400,000 (£500,000).

See Lex

CHAS. CLIFFORD INDUSTRIES

Of the 333,000 Charles Clifford Industries 12 per cent convertible cumulative preference shares offered by way of rights at £1.20 a share, 149,107 were not taken up and have been placed with institutions at the issued price.

The underwriters are consequently relieved of their commitments.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not *available as to whether dividends are interims or finals* and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Consolidated Plantations, Dale Electric International, Gripperrods, R. and J. Pullman, Tor Investment Trust.

Finals: AI Industrial Products, Anglo American Coal, Anglo-International Investment Trust, Newbold and Burton, St. *Andrew Trust*, *Bernard Wardle*, Westwood Dawes.

FUTURE DATES

Interims—	
Austin (F.) (Leyton)	Feb. 26
Brotherhood (Peter)	Feb. 26
Walker (Thomas)	Feb. 28
Finals—	
British Vita	*Mar. 4*
Clarke (T.)	Mar. 13
Grindlays Holdings	Mar. 4
Hoover	Feb. 27
Jacobs (John I.)	*Mar. 19*
Molins	Mar. 19
Rhodesian Corporation	Feb. 25
Royal Dutch Petroleum	Mar. 6
"Shell" Transport & Trading	Mar. 6

Atcost improves 29% and current prospects good

STRUCTURAL FRAME building manufacturer and erector Atcost reports pre-tax profits 29 per cent up at £383,000 for the year to September, 1979, against £297,000 for the previous year. Turnover increased from £12.4m to £13.97m.

For the current year, trading is *"well ahead of last year's levels,"* and the group "expects to finish substantially in excess" of last year's profits, Mr. Michael Stubbs, managing director, told yesterday's annual general meeting.

Since the end of the year, Atcost had acquired the production assets of Barvis, which were *purchased from the receiver for* an undisclosed sum. Barvis will "give Atcost the ability to move up" towards larger one-off contracts, in addition to its current concentration on smaller standardised contracts, said Mr. Peter Down, chairman. Atcost is now looking at the possibility of acquiring a steel fabricator in the 50 to 60 tons per week capacity range, said Mr. Stubbs. At present it buys in fabricated steel.

Atcost, a private company, is 52 per cent controlled by its directors, who bought it back from Lombard Bank after the bankruptcy of the Lyon property group, which had used it as security for borrowings. Lombard, and Development Capital—backed by the National Coal Board pension fund—put up much of the cash for the re-purchase. With debt: equity *now in a ratio of 6:1—against* 13:1 at the time of the re-purchase, the NCB pension fund has *expressed willingness to provide* cash backing for further expansion.

The company is not planning to seek a stock exchange quotation in the short-term, said Mr. Downs, though this may become *desirable—possibly under rule* 163(2)—within the next few years.

Mid-Kent issue fails to attract

Virtually no applications were received for the latest *issue of stock by a water* company.

Brokers Seymour Pierce and Co. *yesterday* announced that underwriters will be required to take up 98.88 per cent of the £5m 9 per cent redeemable preference stock 1985 offered for sale by Mid-Kent Water Company at a minimum price of £97 per cent.

Subscription lists closed yesterday. Dealings start today.

The Mid-Kent issue is the fourth failure by a water company in the past four months. A fifth was oversubscribed.

R. Smallshaw Knitwear orders lower

There is no doubt that 1980 will be a difficult year for R. Smallshaw (Knitwear) says the chairman, Mr. R. F. A. Smallshaw in his annual statement.

Economic uncertainties are *making customers cautious* when placing orders for forward delivery and at present the group order book is *sorter* than at the same time last year.

Mr. Smallshaw says in view of this he feels it unwise to forecast profits for the current year.

Pre-tax profits for the year ended September 30, 1979, showed a modest rise from £334,891 to £340,710, on sales 24 per cent higher at £5.44m—as reported January 25. Profit margins came under pressure with business becoming more *difficult towards the year end*.

At Castle Knitwear, the market for fashionable cut and sewn *knitwear continues to* give problems with severe competition from home and abroad.

Efforts to increase exports to western Europe have had only limited success and the company is presently operating well below capacity. However, the chairman is hopeful that its designs for 1980 will secure *some substantial orders*.

At Mill Hill Knitwear, indications are that orders for summer and autumn delivery may be smaller than of late, but there are signs of a fashion change towards classic styles of which the company would be well placed to take advantage.

Future capital expenditure at balance date amounted to £25.25m (£12m), of which £12.5m (nil) had been *authorised but not contracted for.*

Meeting, Hinckley, March 12, noon.

INVESTMENT TRUSTS

Foreign & Colonial expands to £6.86m

INCLUDING franked income of £5.26m against £3.86m, total revenue of Foreign and Colonial Investment Trust Company increased from £8.24m to £10.14m during 1979. Pre-tax revenue came out at £6.86m against £5.22m. *Tax charged was up from* £2.07m to £2.48m.

The final dividend is lifted *from* an adjusted 1.6375p to 1.95p making the total 2.95p (2.2625p). Stated earnings per 25p share are 3.26p, which includes a non-recurring 0.26p accounting for £337,000, against 2.34p. Dividends absorbed £3.87m against £2.97m.

Investments at market value or directors' valuation were £188.5m (£169.7m). Consolidated net assets available for ordinary capital were fractionally lower at £149.43m against £149.92m. Net asset value per share offer price charges at par was 113.9p (114.3p) and after prior charges at markt value was unchanged at 118.7p.

Including *the non-recurring* income, stated earnings per share are 4.61p against 3.09p. The preference dividend again absorbs £38,762 and the ordinary dividend, £1.22m (£831,718). Surplus revenue for the year of £61,589 (£23,968) has been transferred to revenue reserve.

Net asset value per 25p stock unit at December 31 was 118.5p (123.9p) after payment of the final and special dividends.

FIRST SCOTTISH AMERICAN

Revenue of the First Scottish American Trust Company climbed from £993,325 to £1,344,496 for the year ended *February 1, 1980, after tax of* £653,092 against £543,964.

Earnings per 25p share are given ahead from 3.32p to 4.53p and the dividend total is lifted to 4.2p (3.15p) net, with a final of 3p.

Net asset value per share was lower at 121.4p (132.1p) after prior charges at par.

MELDRUM

After all charges including tax of £310,621 against £250,511, revenue of Meldrum Investment Trust expanded from £467,349 to £671,994 for 1979. Gross revenue reached £1,047,635 (£779,232).

Stated earnings per 25p share rose by 1.01p to 3.33p, while the dividend total is stepped up to 3p (2.1p) net, with a final of 1.5p and a special payment of 0.5p. Dividend cost increased from £423,360 to £604,800.

At December 31, net asset value was 67.4p (60.7p) per share.

ROMNEY TRUST

Net revenue of Romney Trust improved from £894,448 to £1.32m in 1979 after all charges including *tax of £660,906 against* £499,695.

The final dividend is 2.7p lifting the total from 3p to 3.7p. There is also a special dividend of 0.69p representing full distribution of non-recurring dividends mainly from Shell Transport and Unilever.

WEST COAST AND TEXAS REGIONAL

Gross revenue of the West Coast and Texas Regional Investment Trust was marginally *higher at £240,820 against* £239,008, but the pre-tax figure for 1979 fell from £106,533 to £93,783.

Stated earnings per 10p share slipped from 1.83p to 1.76p, but the dividend is stepped up to 1.25p (1.1p) net.

Interest receivable rose from £5,505 to £17,502, and revenue was struck after expenses of £147,037 (£132,475) including interest payable of £109,812 (£99,026).

Tax charge was £41,020 including unrelieved overseas witholding taxes of £627, compared to *£51,757 with full relief for overseas taxes*. Dividends cost £37,500 (£33,000).

Net assets per share at December 31, 1979, were 79.7p (80.2p including 7.5p investment currency premium).

Since the year-end the company's outstanding multi-currency loans have been repaid; *during 1979 these were reduced* from U.S.$2m to $0.6m.

U.S. DEBENTURE

Net revenue available for *ordinary holders of the United* States Debenture Corporation improved from £2.86m to £3.97m *in the year ended January 31, 1980*.

Gross revenue was £6.57m against £5.04m including franked investment income of £5.25m (£3.7m) and £1.12m (£1.2m) unfranked. The franked income this year included £983,318 extraordinary revenue.

Basic earnings per share are stated as 5.81p (4.21p) and 5.77p (4.19p) fully diluted. The final dividend is 2.78p lifting the total *from* 4.05p to 5.58p, absorbing £3.82m against £2.75m.

Net assets amounted to £86.63m (£88.31m) and basic net asset value per 25p stock unit is 118.9p against 121.6p.

£1.25m loan for reshape at Cope Sportswear

BY RHYS DAVID

A MOVE to win back at least some of the British market in woven upholstery fabrics from importers, is to be made by Cope Sportswear, the expanding leeds-based textile group, with the aid of a low-interest loan from the European Investment Bank.

The loan, totalling £1.25m at 11 per cent over seven years, is the third, secured by the company and brings to nearly £2m the assistance received towards the company's development plans.

According to Mr. Geoffrey Cope, the chairman, the moves to reshape the company have been taken before they were forced on it by the expected tough trading conditions this year. "In the past eight months we have restructured and re-equipped the group completely. As a result we should be in a position to take advantage quickly of any improvement that comes along," he states.

The latest loan is being used to help finance the installation of 12 high speed Rapier looms at Colne, Lancashire, to replace 40 older shuttle-type looms on the site and in Bradford.

The group, which also has interests in clothing manufacture and retailing, estimates that around 70 per cent of upholstery pile fabric of the type that will be made on its new looms is imported, mainly from Belgium, Germany and Spain.

A doubling in productivity is anticipated from the current fabric investment programme, and this will enable Cope to compete effectively with imports and to increase exports, the chairman claims.

The company's plans also include a new finishing department at Colne to which some employees currently working in the existing, more labour-intensive, weaving operation will be transferred.

At Bradford, weaving will be phased out in favour of sliver knitting—a process used for the manufacture of pile fabrics for car seat covers, under-blankets, slippers and similar applications. The total re-equipment programme is expected to cost around £2.5m.

As a further element in its diversification the group is developing a stake in retailing, which would give Cope the benefit of a view of developments through to the consumer, the chairman states.

Over the past 18 months a small chain of shops in Yorkshire and the North-East has been built up, trading under the Pennywise name and selling a range of household textiles, clothing and other related products.

So far nine shops have been opened, in what are termed first class secondary sites in small towns. Shop sizes are in the 6,000-10,000 sq ft range and a turnover in each of around £500,000 is being sought.

R-R Realisations well covered against writs

BY ARNOLD KRANSDORFF

R-R Realisations, formerly Rolls Royce Limited (now in voluntary liquidation), through the liquidators, have clarified the group's involvement in litigation over the Caravelle aircraft crash in Bombay in 1976.

The Carvelle aircraft was powered by engines manufactured by the company 15 years ago. Writs have been issued against the company and several other parties in connection with the crash.

The joint liquidators said yesterday they believed they have adequate insurance cover in respect of risks arising from the failure of any of the company's products. The joint liquidators believe that the claims are without merit.

An application was made to court for authority to distribute the remaining assets of the company to the shareholders. This application was not acceded to by the court and the joint liquidators therefore could not make the proposed distribution.

Since November 26, detailed discussions have taken place between all parties involved and their legal advisers. However it has not been possible to resolve all outstanding objections.

In the present circumstances the joint liquidators canot make any further distribution to stockholders at this stage. A meeting of holders will be called and held on or before June 30.

Another meeting, scheduled for February 28, will go ahead as planned but no business will be transacted.

The meetings will be adjourned sine die.

Blue Circle still hoping for Ceramics acceptance

SIR ROWLAND WRIGHT, chairman of Blue Circle Industries, the major UK-based cement group, yesterday told the group's shareholders that he hoped the Lebanese-owned Ceramics Investments, a major shareholder in Armitage Shanks, would soon accept Blue Circle's £31m bid.

Ceramics, controlled by the Gargour family interests, owns around 25 per cent of Armitage, which is Britain's last major independent manufacturer of sanitary ware. The Lebanese group is firmly opposed to the Blue Circle offer.

Blue Circle's offer was originally worth £28m, or 89p a share when the terms were announced last month. But the bidder's share price has rallied and now values the bid at nearly 99p. At one time last week a value of £33m was put on the offer, which gives two Blue Circle shares for six of Armitage.

Sir Rowland told shareholders, at an EGM to obtain approval for the capital increase, that Ceramics Investments has stated they do not intend to make a counter offer for Armitage Shanks.

He said: "We hope with no other offer on the table they will soon accept. Otherwise they may remain as minority shareholders."

"They have in the past discussed with the board of Armitage Shanks possible areas of co-operation in the Middle East, and it seems to us that they have a further interest in the outcome of the offer — a commercial interest which other shareholders do not have.

"Apart from Ceramics I am not aware of anyone suggesting that our offer is other than fair and reasonable. We have the total support of the Armitage Shanks board and its advisers and, to those shareholders," he warned, "who are hoping for something higher, I have to say that we can see no reason why our offer should be altered in any way."

Henderson—Kenton suspension

Shares in Henderson-Kenton, the retail furniture group, were suspended at the company's request yesterday as a result of a bid approach. At the suspension price of 118p the company is capitalised at £7.6m.

The company said that it requested a temporary suspension "as a result of an approach which may or may not lead to a general offer for its share capital."

There were rumours in the stock market that the company involved was Harris Queensway, which last June made a successful £28m bid for Hardy and Co (Furnishers). Mr. Philip Harris, the chairman said that he had no comment to make on this. The Harris shares fell 8p to 178p yesterday.

Henderson's latest accounts for the year ended March 31, 1979 showed the directors and their associates holding 29 per cent of the equity and Mr. G. P. Eisen, a former director, with a 7.4 per cent stake.

Henderson, which operates through some 73 outlets, recently reported a 28 per cent drop to £437,000 in pre-tax profits for the first half of 1979/80. The directors reported then that the January sales had been excellent but they warned that the full year results would not match the record £2.07m achieved in 1978/1979.

HEATH COMPLETES SPRINKS DEAL

In accordance with the agreement dated March 13, 1978 for the acquisition by C. E. Heath and Co. of 80 per cent of the capital of Groupe Sprinks the second and final instalment of the purchase consideration has been made by the issue of 384,789 ordinary shares of 20p in Heath and the payment of FFr 9,341,076 to the vendors.

RACAL/DECCA

Racal yesterday purchased 590,000 Decca ordinary at 600p and 14,536 "A" ordinary at 500p from a company associated with Dr. J. Dimenstein, a director of Decca.

These shares were included in the total figures relating to the irrevocable undertakings stated on February 14.

TEBBITT

Tebbitt Group has exchanged conditional contracts for the sale, for £170,000, of its factory premises at Countess Road, Northampton.

FURNESS WITHY

BBME Nominees, part of the Hong Kong and Shanghai Banking Group, holds 1,425,000 shares in Furness Withy (5.3 per cent) as nominees. The stock is held for Wardley (Vila) of Hong Kong on behalf of Arnside S.A. which is in turn controlled by the C.Y. Tung Group. The latter had already disclosed that it owned 5.3 per cent of Furness Withy and this is just confirmation.

BICC DISPOSALS

BICC has sold Vero Precision Engineering and Vero Advanced Products to executives of the two companies.

Both specialist engineers, they became part of the BICC group last November when it acquired the private company Vero Electronics, and associated companies within the Vero Group, as part of its long term plans to move further into the electronics field.

HARRIS & SHELDON EXPANDS GUNMAKING

The Harris and Sheldon group has formed a new marketing company, British Sporting Gunmakers, following a £0.25m investment in W. and C. Scott, Birmingham-based sporting gun manufacturers.

Scott, to be renamed W. and C. Scott Gunmakers, is in new premises at Witton, Birmingham, and has been revived to make and market two new sporting guns to be sold direct to the public.

Harris and Sheldon already own two other gunmakers, Webley and Scott, acquired in 1973, and Churchill, Atkin, Grant and Lang, of Pall Mall, bought in 1974.

Utd. Newspapers purchase

United Newspapers has agreed terms for the acquisition of J. Andrew and Co., publishers of the Ashton-under-Lyne Reporter and associated weekly newspapers. The consideration of 421,925 United Newspapers ordinary shares and £390,000 cash values Andrew at around £1.9m.

The acquisition is expected to contribute about £150,000 a year to pre-tax profits and it is intended that the papers, which had a net asset value at December 31, 1978, of about £425,000, will continue under present management and staff.

MANAGEMENT BUYS DECORETTES

The management of Decorettes a major UK transfers manufacturing group has completed a £706,000 buy-out with support from ICFC.

The deal follows negotiations between Decorettes with its subsidiaries Eagle Transfer and Decorette Marketing Services and holding company, Newman-Tonks.

A new company, Decorettes Group has been formed with ICFC taking a 24.8 per cent stake and providing a 15-year loan of £500,000. Decorettes Group is forecasting record sales of more than £3m in the current year with profits in excess of £250,000.

Decorettes interests range from Disney transfers through lettering to metalised wall covering and D-I-Y shelving. Eagle, the industrial transfer division has National Bus and the Post Office van fleet as major customers.

BROCKHOUSE

The product lines, trading name and certain assets of Epco, a wholly-owned subsidiary of Booker McConnell, is to be acquired by Brockhouse for a sum not exceeding £1.1m cash.

On completion, intended for the end of February, Epco products will be integrated with those of Harvey Frost, part of Brockhouse's general engineering division.

Both are suppliers of hydraulic lifting equipment to the transport service and garage equipment industry.

No lack of suitors for DCM UK side

Several interested parties were yesterday preparing to bid for the profitable UK business of Dunbee-Comex-Marx, the international toy company which was placed in the hands of a Receiver on Tuesday.

At least three tentative offers have been passed to Mr. Paul Shewell, who is now responsible for the day-to-day management of the parent company.

It is understood that one of the offers is for the whole of the UK toy operation, while the other two are for parts of the group excluding the DIY and industrial division, which will probably be floated off later this year.

Other potential bidders were yesterday trying to work out the likely values of the subsidiaries whose products include Hornby trains, Scalextric slot-car racking systems and Sindy dolls.

In the City it was estimated that the Hornby operation, the group's biggest profit earner, could be worth up to £9m, with Pedigree fetching roughly £6m, and Combex, which specialises in pre-school toys, about £1m.

There are a number of companies which would theoretically be interested. They include the UK's other major toy companies, such as Lesney, Mettoy, Berwick Timpo and MY Dart, as well as U.S. and European toy groups and companies, such as Lesney, Pentos, Thomas Tilling and TKM.

R. & J. Pullman buys bridal wear manufacturer

R. and J. Pullman, the textile company, is acquiring Ronald Joyce, manufacturers of bridal and evening wear, for £1m cash, £0.25m in shares and 25 per cent of Joyce's pre-tax profits for each of the three financial years ending April 30, 1983.

The effective date of the acquisition will be April 1, 1979. Joyce's profits for the 13 months to April 30, 1980 are warranted to be not less than £0.6m pre-tax, with net assets at year end standing at more than £1m.

BASE LENDING RATES

A.B.N. Bank	17 %	▫ Guinness Mahon	17 %
Allied Irish Bank	17 %	■ Hambros Bank	17 %
Amro Bank	17 %	■ Hill Samuel	§17 %
American Express Bk.	17 %	C. Hoare & Co.	†17 %
Henry Ansbacher	17 %	Hongkong & Shanghai	17 %
A P Banks Ltd.	17 %	Industrial Bk. of Scot.	17½%
■ Arbuthnot Latham	17 %	Keyser Ullmann	17 %
Associates Cap. Corp.	17 %	Knowsley & Co. Ltd.	18½%
Banco de Bilbao	17 %	Langris Trust Ltd.	17 %
Bank of Credit & Cmce.	17 %	Lloyds Bank	17 %
Bank of Cyprus	17 %	Edward Manson & Co.	18 %
Bank of N.S.W.	17 %	Midland Bank	17 %
Banque Belge Ltd.	17 %	■ Samuel Montagu	17 %
Banque du Rhone et de la Tamise S.A.	17½%	■ Morgan Grenfell	17 %
Barclays Bank	17 %	National Westminster	17 %
Bremar Holdings Ltd.	18 %	Norwich General Trust	17 %
Brit. Bank of Mid. East	17 %	P. S. Refson & Co.	17 %
■ Brown Shipley	17 %	Rossminster	17 %
Canada Perm't Trust	18 %	Ryl. Bk. Canada (Ldn.)	17 %
Cayzer Ltd.	17 %	Schlesinger Limited	17 %
Cedar Holdings	17 %	E. S. Schwab	17 %
▫ Charterhouse Japhet	17 %	Security Trust Co. Ltd.	18 %
Choulartons	17 %	Standard Chartered	17 %
C. E. Coates	17 %	Trade Dev. Bank	17 %
Consolidated Credits	17 %	Trustee Savings Bank	17 %
Co-operative Bank	*17 %	Twentieth Century Bk.	17 %
Corinthian Secs.	17 %	United Bank of Kuwait	17 %
The Cyprus Popular Bk.	17 %	Whiteaway Laidlaw	17½%
Duncan Lawrie	17 %	Williams & Glyn's	17 %
Eagil Trust	17 %	Wintrust Secs. Ltd.	17 %
E. T. Trust Limited	17 %	Yorkshire Bank	17 %
First Nat. Fin. Corp.	18½%		
First Nat. Secs. Ltd.	18 %		
Robert Fraser	18 %		
■ Antony Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

MINING NEWS

Noranda looks for new growth in 1980

BY KENNETH MARSTON, MINING EDITOR

RECORD sales and earnings achieved by the Noranda Mines natural resources group last year were the highest for any Canadian mining company. They reflect the fact that "the expected U.S. recession had little impact for Noranda group products except in isolated instances."

John Soganich reports from Toronto that 1979 net profits soared to C$394.5m (£147m), or C$4.70 (175p) per share, from C$135.2m. A notably strong fourth quarter provided earnings of C$2.11 per share. Total revenue for 1979 was C$2.48bn compared with C$1.69bn.

The company says that demand for its products was "reasonably strong" last year and many prices moved up towards levels "needed to justify investment in new capacity." It is added that there was considerable improvement in prices for copper, zinc, pulp and, towards the end of the year, "a spectacular increase" in prices for precious metals.

Noranda is stepping up its quarterly dividend rate to 30 cents—payable on March 14 to holders registered in February 26—from 25 cents. The shares are currently around C$28 compared with C$23 when recommended in these columns earlier this year for a long term investment.

The company considers that if current levels of demand and prices for its metal and other products together with currency values are sustained throughout the rest of this year a further "substantial" increase in earnings should be achieved. There should also be a contribution to earnings from new operations.

Noranda adds that, "with a recession widely forecast it may be too much to expect that present market conditions will be sustained, but even with some modest softening of markets a further increase in earnings could be achieved."

Meanwhile, Noranda has so far acquired some 93 per cent of Maclaren Power and Paper in exchange for 10.2m Noranda shares. The balance of Maclaren is expected to be acquired by the end of this quarter.

Also controlled by Noranda, the Fraser eastern Canada pulp and paper company, has earned C$27.3m, or C$3.88 per share, in 1979 against C$22.5m in 1978. Its markets are expected to remain strong for the most part this year, but it could be affected by rising costs, particularly of energy.

Sunshine profits rise sharply

SUNSHINE MINING, the operator and major shareholder in the largest silver mine in the U.S., more than tripled net profits last year, as higher metal prices offset lower production.

Earnings for the year were $11.66m (£5.13m) against $3.19m in 1978, Sunshine announced yesterday. Fourth quarter net profits were $2.6m against $986,000 in the same period in 1978.

The announcement followed the disclosure that Sunshine plans to increase the size of its proposed offering of silver certificates to $100m from $50m. The *registration statement* lodged with the Securities and Exchange Commission has been amended.

Next month Sunshine expects to offer $1,000 (£440) certificates, each redeemable within 15 years at the market value of a hitherto unspecified amount of silver or $1,000, whichever is the greater. The certificates will carry interest but the rate has *not yet been declared.*

The offer will come against the background of resumed normal production at the Sunshine mine, which, with substantially higher silver prices, should ensure that the company has what it calls a satisfactory first quarter.

Output in 1979 was less than in 1978. This was expected because an accelerated development programme, including the *sinking of a new underground* shaft. But there was an additional setback when one shaft was closed for four weeks for repairs during the second half.

Last year Sunshine received an average price for its silver of $11.01 an ounce, against $5.69 an ounce in 1978.

EARNINGS BOOST FOR RCM

Roan Consolidated Mines, the Zambian copper producer, yesterday declared a dividend of Kwacha 15 (8.38p), on the back of net profits for the December quarter of K24.7m (£14.25m) compared with K6.8m in the same period of 1978. The company *returned to the dividend list last* September.

Net profits for the half year to December were K56.33m against K15.69m in the 1978-79 first half—the latter figure being restated to reflect the adoption of depreciation accounting policy.

The rise in earnings reflects the general trend in the industry, but RCM has received particular benefit from a greater availability of spare parts and foreign exchange. However, the company still needs more expatriate staff and faces continued transport problems.

The shares were 12p lower at 230p *yesterday, reflecting* a decline in the sector, but the price steadied after the figures were announced.

Trading losses hurt Benguet

BENGUET CONSOLIDATED, the Philippines gold producer listed in Hong Kong and New York, last year had only a sparse 3 per cent increase in earnings to Pesos 79.9m (£4.78m) from Pesos 77.9m in 1978, reports **Leo Gonzaga from Manila.**

Mr. Jaime Ongpin, the president, *said the negligible earnings* increase was largely caused by a *net trading loss of Pesos 17m,* or 61 U.S. cents an ounce of gold, from gold stockpiling and hedging transactions. In 1978, earnings from trading operations were $42.5 an ounce.

The situation was made worse by a 30 per cent decline in profits at **Engineering Equipment,** Benguet's principal subsidiary.

In late 1979, however, *Benguet's performance improved,* as the gold price raced to what seemed at the time unprecedented heights. Earnings from gold thus rose to Pesos 29.3m from Pesos 917,000 in 1978.

Last year's income was boosted by a change in the method of computing Benguet's deferred income tax liabilities. This added Pesos 8m to earnings, Mr. Ongpin said.

ROUND-UP

Cominco, the Canadian *minerals group whose majority* shareholder is **Canadian Pacific Investments,** has started to declare dividends on a quarterly rather than a semi-annual basis with a payment of C$1.10 (41p). Total dividends for 1979 were C$5.

* * *

Western Mines, the British Columbia base metals producer controlled by **Brascan,** raised net profits to C$12.1m (£4.59m) last year from C$4.1m in 1978, as *metal prices increased. Final* quarter earnings were C$6m against C$2.5m in the same period of 1978.

* * *

Showa Oil of Japan has signed a letter of intent to buy 600,000 tonnes of steaming coal for about $19m (£8.36m) from the *Queensland operation of* **Aberdare Collieries,** a **Crusader Oil** unit, ultimately controlled by **Triton Oil and Gas of Dallas.**

* * *

Leichardt Exploration, the Australian company looking for *diamonds in southern Africa* is buying for an undisclosed sum ***Mopani Explorations,*** *a South* African company joint venturing with **African Selection Trust** at a diamond prospect adjacent to Leichardt's Cape Province investigation area.

CANADA EXPECTS AN INCREASED COAL DEMAND

Canada will have to develop new bituminous coal reserves to meet projected demand in the late 1980s, according to a report, Coal Reserves and Resources, *just published by the Department* of Energy, Mines and Resources.

In common with most other international forecasts, the report expects greatly increased demand for all ranks of Canadian coal to the year 2000.

In the case of bituminous coal, a comparison between the *supply capability,* based on the situation in 1977, and forecast demand shows that recoverable coal reserves and production capability will be inadequate after 1988.

The report put Canada's recoverable reserves at 1.8bn short tons of bituminous coal, 2.4bn *short tons of sub-bituminous* coal and 2.3bn short tons of lignitic coal.

Mineable reserves were put at 6.1bn short tons of bituminous coal, 8.1bn short tons of sub-bituminous coal and 3.5bn short tons of lignitic coal.

NORTH AMERICAN NEWS

Overseas gains lift Occidental Petroleum

By Our Financial Staff

SOARING PROFITS for the final quarter and full year are announced by Occidental Petroleum, which like other large oil companies, ascribes the upturn to its overseas operations. For the whole of 1979, Occidental earned $561.7m, compared with $6.7m in the previous year, which bore a charge of $122m from the writing-down of UK and Belgian refineries.

Share earnings for the year are $7.30 against a loss of 39 cents on sales of $9.60bn, compared with $6.3bn.

In the final quarter, the group, whose chief operational thrust lies in Libya, the North Sea and Peru, earned $186.9m or $2.44 a share against $23.3m or 20 cents last time, on sales of $2.90bn compared with $1.80bn.

Occidental said that earnings of its coal division in 1979 were up. Results of the division in 1978 were hurt by the United Mine Workers strike and the railway strike.

The Hooker Chemical division had lower earnings, mostly due to a larger provision for "special environmental costs" and depressed prices and higher energy costs in the chlor-alkali business.

Aetna Life earnings up despite underwriting fall

BY STEWART FLEMING IN NEW YORK

AETNA LIFE and Casualty, the largest U.S. insurance company, suffered a sharp decline in underwriting profits in 1979, including an underwriting loss in the fourth quarter.

The figures confirm the deteriorating trend in underwriting earnings in the U.S. insurance industry which has become apparent in the past year.

In spite of the underwriting setback, however, the company, helped by realised capital gains, managed to increase its profits in both the year and the fourth quarter.

For the year, net income from operations rose to $559.5m or $6.93 a share from $517.7m or $6.39 a share. Realised capital gains of $24.1m and a tax credit of $1.8m brought final net income to $585.4m or $7.25 compared with $501.6m or $6.19 in 1978.

In the final quarter, the company reported operating net of $138.2m or $1.71 a share compared with $141.2m or $1.74 a share in the 1978 fourth period.

For the year, the company's underwriting profits slipped from $189m to $45m. Fourth quarter produced an underwriting loss of $31m compared with a profit of $50.3m a year ago.

Aetna is strongly represented in life, health and casualty insurance. At the 1978 year end, when it had $121.8bn of life assurance in force Aetna earned 22 per cent of its total profit from group life insurance, about 41 per cent from commercial property-casualty business and 17 per cent from personal property casualty insurance.

Sharp advance at Perkin-Elmer

BY OUR FINANCIAL STAFF

DESPITE A slight decrease in profit margins in the second quarter, Perkin-Elmer, a manufacturer of specialised analytical instruments, has ended the first half with a 42 per cent increase in earnings at $30.8m or $1.54 a share. Sales for the six months show a gain of 38 per cent to $455.7m.

Mr. Robert H. Sorensen, president and chief executive, said that demand remained strong in both domestic and international markets. But he added that margins had been slightly eroded in the second quarter by increased start-up costs and research and development expenses related to new products in the expanding semiconductor division.

Sales growth accelerated sharply in the second quarter to show a gain of 42 per cent increase to $251.5m, compared with a gain of 34 per cent in the first quarter. But earnings progressed more slowly, showing a gain of 34 per cent at $16.1m, compared with a 54 per cent increase in the first quarter.

Mr. Sorensen reported a strong flow of new orders throughout the first half, leading to a record backlog total of $493m at the end of January.

Wall Street analysts have been predicting earnings of around $3.20 per share for the current year, against the $2.53 of the year to July 1979.

Perkin-Elmer earns about 34 per cent of its total profit from its instrument division, with the optical side contributing about the same, and the data systems group turning in some 14 per cent.

It is a major supplier of electro-optics to the U.S. Government and through its data systems division, now has a strong holding in the mini-computer industry. New mini-computer products are planned.

The optical division in general is budgeting for very strong demand from the semiconductor division, in particular for its latest product, the Micralign 200.

Growth is also expected in Germany, from METCO, maker of flame spray equipment.

First Boston turnround

By Our Financial Staff

FIRST BOSTON Corporation yesterday disclosed a sharp turnround from loss into profit in the final quarter of 1979. The banking group improved from a loss of $4.3m or 97 cents a share in the 1978 quarter to a net profit of $7.6m or $1.61 on revenues increased from $23.4m to $54.7m.

For the full year net earnings were $17.2m or $3.78 a share compared with a profit of $1.1m or 31 cents in the previous full year. Revenues were $145.5m compared with $97m.

Improvement at Chesebrough

By Our Financial Staff

AN IMPROVED performance in all sectors except its health and beauty products has enabled Chesebrough-Pond's to meet analysts' forecast for 1979. Net earnings have risen from $69.7m or $2.16 a share to $82.6m or $2.56 while sales have increased from $969.8m to $1.17bn.

Placid Oil seeks merger with Gulf Resources

GULF RESOURCES and Chemical Corporation, the diversified mining group with oil and gas interests, said that its board would meet later this week to consider "whether or not" to oppose a tender offer which values the company at about $371m from Placid Oil, the privately-held company controlled by the Hunt brothers.

Earlier, when announcing its intention to acquire Gulf Resources' common and preferred stock, Placid said that the offer depended on approval by the Gulf Board by Friday afternoon.

Placid said that it would offer $42.12 for each Gulf Resources common share, $69.62 for each "A" preferred share, $52.91 for each "B" preferred share and $49.77 for each "C" preferred share.

Under terms of the proposed offer, Placid said that it would be under no obligation to buy any shares unless the stock tendered, plus the 687,500 common shares it already controls—9.7 per cent—equals at least 80 per cent of the total voting power of Gulf Resources on a fully diluted basis.

Placid, through its wholly-owned Third Crescent Investment Company subsidiary, said that its present stake represents about 7.6 per cent of the total voting power of Gulf common and preferred stock.

Gulf, a producer of lead, zinc, silver and lithium, has about 7.1m common shares outstanding, 93,000 series "A" preferred shares, 622,000 series "B" preferred shares and 1,250,000 series "C" preferred shares.

Reuter

Profits dip at Deere

THE WORLD'S largest farm equipment manufacturer, Deere and Company, showed a dip in profits in its first quarter ended January 31. Earnings fell to $62.74m from $65.66m in the comparable period of the previous year, on sales of $1.11bn, against $909.5m. Earnings per share were down to 99 cents from $1.04.

The quarter's results included pre-tax foreign exchange losses of $4.6m, compared with foreign exchange gains of $10.2m a year earlier.

Mr. William Hewitt, the company's chairman, said that retail sales of most John Deere farm equipment in North America remained strong during the first quarter. He added that the embargo on grain sales to the Soviet Union would have only a "modest impact" on farm cash receipts in the U.S. during 1980.

TRW meets forecast despite slow last quarter

By Our Financial Staff

TRW, the transport and electronics group, has met analysts' forecasts for 1979 although profitability turned down in the final quarter. Earnings increased by 12 per cent for the full year to $194.6m, or $6.07 a share, compared with Wall Street predictions of $6.00. At $4.56bn., sales gained 20 per cent.

But in the final quarter, earnings grew by only 2 per cent to $50.3m, or $1.56—after a 16 per cent increase in the first nine months. Sales in the final quarter gained 16 per cent to $1.19bn, against a 22 per cent increase in the previous three quarters.

TRW expects continued good growth this year, despite unsettled economic conditions.

Its car and truck business had a 4 per cent decline in operating profits to $193.7 in 1979.

Demand for components for large cars was very weak during most of the year, especially during the fourth quarter.

Court rejects Kodak and Berkey pleas

WASHINGTON — The U.S. Supreme Court declined to hear appeals by Berkey Photo and Eastman Kodak in connection with Berkey's anti-trust suit against Kodak.

The appeals arose from a suit filed by Berkey alleging that Kodak used a monopoly in the camera market to gain a competitive edge over Berkey, in violation of Federal anti-trust laws.

After a jury trial, a district court in New York awarded Berkey $87m in damages, but an appeals court found the jury decision improper and remanded the case for a new trial.

Both companies appealed and Kodak said that the appeals court should have ruled in its favour, instead of merely ordering a new trial.

Meanwhile, GAF Corporation said that despite the Supreme Court's refusal to hear Berkey's appeal, it was "confident" it would be successful in its own suit against Kodak

Reuter

Du Pont and Conoco deal

WILMINGTON—Du Pont, the largest chemical producer in the U.S., and Conoco said that they have agreed to form a second oil and gas exploration partnership. The companies said that the agreement would involve a joint expenditure of $300m over five years.

Reuter

AMERICAN QUARTERLIES

AMERICAN NATURAL RES.	1979	1978
Fourth quarter	$	$
Revenue	795.5m	590.2m
Net profits	60.97m	21.84m
Net per share	2.64	0.95
Year		
Revenue	2.51bn	2.10bn
Net profits	117.96m	127.42m
Net per share	5.13	6.58

ARVIN INDUSTRIES	$	$
Fourth quarter	1979	1978
Revenue	132.33m	136.67m
Net profits	7.70m	7.00m
Net per share	0.99	0.89
Year		
Revenue	493.21m	469.80m
Net profits	20.42m	23.07m
Net per share	2.62	3.00

BELL AND HOWELL	1979	1978
Fourth quarter	$	$
Revenue	147.20m	133.50m
Net profits	6.37m	5.17m
Net per share	1.13	0.93
Year		
Revenue	538.40m	469.30m
Net profits	16.78m	15.29m
Net per share	3.01	2.74

CONSOLIDATED NATURAL GAS	1979	1978
Fourth quarter	$	$
Revenue	640.80m	445.70m
Net profits	39.21m	26.60m
Net per share	1.93	1.30
Year		
Revenue	2.05bn	1.59bn
Net profits	128.30m	114.64m
Net per share	6.30	5.67

ENGELHARD MINERALS CORPN.	1979	1978
Fourth quarter	$	$
Revenue	7.18bn	3.8bn
Net profits	137.83m	49.91m
Net per share	2.07	0.77
Year		
Revenue	18.08bn	10.15bn
Net profits	349.72m	142.24m
Net per share	5.32	2.18

IC INDUSTRIES	1979	1978
Fourth quarter	$	$
Revenue	1.06bn	970.10m
Net profits	46.74m	37.38m
Net per share	2.59	2.13
Year		
Revenue	3.73bn	2.67bn
Net profits	107.38m	91.55m
Net per share	5.31	4.88

LUCKY STORES	1979	1978
Fourth quarter	$	$
Revenue	1.74bn	1.33bn
Net profits	36.81m	30.43m
Net per share	0.74	0.65
Year		
Revenue	5.82bn	4.66bn
Net profits	98.09m	80.40m
Net per share	2.01	1.72

NORANDA MINES	1979	1978
Year	C$	C$
Revenue	2.48bn	1.69bn
Net profits	394.5m	135.2m
Net per share	4.70	1.91

SUNSHINE MINING	1979	1978
Fourth quarter	$	$
Revenue	8.1m	4.7m
Net profits	2.6m	0.76m
Net per share	0.41	0.18

EUROBONDS

Psychiatric convertible as secondary market shrinks

BY OUR EUROMARKETS STAFF

AMID WHAT most Eurobond dealers described as the most severe shake-out the dollar sector has ever been through, a $12m 15-year convertible was launched yesterday for Community Psychiatric Centers, a U.S. company which runs psychiatric hospitals, by Dean Witter Reynolds and Merrill Lynch. This issue carries an indicated coupon of 8½ per cent.

Straight dollar bond prices fell by up to four points yesterday morning, but by lunch time they were moving up again. Later in the day, however, they fell back to finish the day slightly before Tuesday night's levels.

Some dealers claimed that it was almost impossible to buy or sell bonds within given quotes. They added that the market had become a numbers game and could no longer claim to be functioning properly. Rumours that a major U.S. investment bank had stopped trading were strongly denied. However, because its settlement department was unable to keep up with the backlog of settlements, First Chicago Ltd. said it decided to trade only on the basis of a 1 per cent "spread," double the normal amount for the rest of the week. This move had reduced the volume of business to one-fifth of the normal level.

"It would be false to give the impression that the market is falling apart, our market is still going strong." This view expressed by another dealer was strongly supported by a number of leading U.S. market makers who added that yesterday was an all-time record trading day again, with a tremendous amount of interprofessional business.

Arbitrage possibilities were numerous as yields offered on bonds of similar quality, maturity and coupon often diverged wildly. For instance the Dome Petroleum 10 per cent bond to 94 is currently yielding 15.41 per cent while the Hudson Bay 10 per cent bond to 94 offers the investor a return of 14.15 per cent. One major bond house said that one of their clients had sold all his holding in a particular issue yesterday, not in order to switch into another higher yielding bond but to buy gold.

The two major hard currency sectors were weak yesterday with price falls of around ¼ per cent posted by Deutsche Mark and Swiss franc foreign bonds.

In West Germany, confirmation that the Bundesbank will stick to a tight monetary policy weakened the domestic bond market where the Bundesbank was forced to buy DM70m worth of paper to keep prices from falling too fast.

In the foreign bond sector, the weakness of the Deutsche Mark against the U.S. dollar added to the woes of the market. However Deutsche Bank announced that it was arranging its planned DM150m 7½ year private placement for Australia. This issue which will be priced at par carries a coupon of 8 per cent and is aimed, because of its short maturity at a certain category of institutional investor and Central Banks.

Swiss franc foreign bonds weakened on the day despite news of a further easing of foreign exchange market restrictions. Dealers said that the market was still suffering from the effect of higher dollar interest rates and this was exacerbated by the sharp fall in the price of gold.

Among individual issues the recent 5¾ per cent bonds of Caisse Centrale de Co-operation Economique slipped to 100¼ from 100¾ previously.

First dividend by Intermex

BY PETER MONTAGNON

THE INTERMEX banking group is to pay a total 10 per cent dividend in respect of 1979, marking the first payment to shareholders in its six years' history, Mr. Gerard Legrain, managing director of International Mexican Bank, the group's London bank, said yesterday.

Final results for the year are not yet available, but Mr. Legrain said that when published next week group net profits are expected to show an increase of 30 per cent to $5.57m.

This increase did not keep pace with that of total assets, which rose $184m to $627m last year.

Part of the dividend has already been paid with an interim 5 per cent in the form of a free share issue. The final dividend will be a further 3 per cent through a free share issue and 2 per cent in cash.

This will lift share capital to $28.4m compared with $26.3m at the end of 1978.

Intermex is a consortium bank, grouping Banco Nacional de Mexico, Banco de Commercio Exterior and Nacional Financiera on the one side and Bank of America, Deutsche Bank, Union Bank of Switzerland and Dai-Ichi Kangyo on the other.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on February 20

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	78⅜	78⅞	−1⅛	−3½	14.31
Alex Howden XW 9½ 91	30	†73	75	0	0	14.24
Aquitaine Can. 11¾ 85	30	*†89½	90¼	−1⅛	−2⅛	14.24
Australian Res. 9⅞ 84	30	84⅞	85⅜	−0⅛	−2⅝	14.32
Avco O/S Cap. 10¾ 87	40	75	76	−0¼	−6¼	16.21
Beneficial Fin. 9¾ 87	100	78½	79	−1½	−4	14.60
CECA Grad. Rate 12 86	100	91½	92	+0¼	−1⅛	13.92
CECA 11⅝ 90	50	83⅞	85⅛	−3¼	−5⅛	14.68
Canadian Pacific 9¾ 89	50	75¼	76½	−2⅛	−4⅜	14.59
Carter Hawley 9¾ 86	50	78⅜	79¼	−1⅛	−3½	15.07
Comalco Inv. E. 10¼ 91	40	78	78½	−1⅛	−4⅛	14.18
Continental Grp. 9⅜ 86	100	79⅞	80⅛	−1⅛	−2⅛	14.59
Dome Petroleum 10 94	50	68½	69¼	−3⅛	−9¼	15.48
Dominion Bridge 10¼ 84	30	86⅞	86⅝	−0⅛	−0⅞	14.77
EIB 11¾ 92	90	82⅝	83⅛	−1½	−5¾	14.89
EIB 10⅛ 87	100	†84½	85	−1⅛	−1⅛	14.00
EIB 10.15 99	100	72	74	−4¾	−5¼	14.82
Exportfin 11¼ 87	50	86	88½	−1⅛	−4⅝	14.52
Export Dv. Cpn. 9¾ 84	100	85	85½	−1⅞	−3⅜	14.31
Export Dv. Cpn. 9⅜ 84	150	85⅛	85⅝	−2	−3⅜	14.30
Finland 9⅞ 89	100	78¼	78¾	−2½	−3⅜	14.07
GTE Finance 9¾ 89	55	76⅝	77⅛	−0¼	−2⅝	14.33
GMAC 9¼ 86	100	78⅛	78⅞	−1⅛	−4	14.62
GMAC O/S Fin. 11 84	100	88⅝	89⅛	−1½	−4⅛	14.32
Gould Int. Fin. 9¾ 85	50	83¼	83⅞	−0⅛	−2	14.60
ITT Antilles 9½ 89	75	*77¼	77⅜	+0¼	−1	13.97
Kennecott Int. 9½ 86	100	†77¼	77¾	−1	−2¼	15.32
Manitoba 9½ 89	75	76½	77	−1½	−2⅛	14.21
Michelin 10 94	125	76⅞	78⅛	−0⅛	−3⅝	13.88
Nat. Des. Telecm. 9½ 86	100	81⅛	81⅞	−1⅛	−3	14.04
New Brunswick 9⅜ 94	75	71⅞	72⅜	−1⅛	−3	14.60
Newfoundland 10 94	50	69⅝	70⅛	−3⅜	−6⅛	15.30
Norges Komm. 9⅞ 99	100	†75	76½	−1	−2	13.95
Norway 9½ 84	150	86⅛	86⅝	−0¼	−2½	13.97
Nova Scotia Pwr. 9¾ 89	50	†75½	76	−3	−4	14.69
Occidental Fin. 10¼ 84	50	85½	86	0	−2¼	14.94
Orient Leasing 9½ 86	25	†82	82½	+0½	−2½	13.84
Pennwalt O/S F. 9¾ 84	25	83¾	83⅞	0	−2⅝	15.18
Pepsico Cap. 9¼ 84	100	85¼	86¼	−0¼	−2	14.02
Quebec Hydro 10 99	75	66⅝	67¼	−4½	−6½	15.41
Sears Roebuck 9 82	150	90⅛	90⅝	−1½	−2⅜	14.95
Statoil 9⅞ 89	100	77	77½	−0⅛	−3⅜	14.10
Sweden 9⅜ 89	100	76⅝	77⅛	−1⅛	−3⅜	14.42
Sweden 9½ 86	200	82⅝	83⅛	−2¼	−4½	14.13
Sweden 9⅜ 84	100	†85	85½	−1	−4⅛	14.38
Unilever NV 9¼ 87	100	77⅛	77⅝	−1⅛	−3⅜	14.35
Warner-Lambert 9 84	100	84½	84⅝	−0½	−2	13.93

Average price changes... On day −1⅛ on week −3⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	96½	96⅞	−0¼	−1⅛	8.60
Asian Dev. Bk. 7¾ 89	100	89¼	89⅝	−0⅞	−1½	8.93
Barclays O'seas 6¾ 89	100	†88¼	89	+0⅛	−1½	8.58
BFCE 7¾ 87	100	97½	98	−0½	−0⅜	8.18
BFCE 8⅛ 95	100	94⅜	95½	−0½	−1⅛	8.72
Brazil 8 87	150	93⅜	94½	0	+0⅝	9.10
CECA 7 91	150	89¼	90	−1⅛	−1⅛	8.47
Council of Eur. 7¾ 89	100	90⅝	91¼	−0⅜	−0¼	8.73
Denmark 7⅞ 88	100	95⅜	96⅛	−0½	−1⅜	8.82
Denmark 8¼ 92	100	97½	98¼	−0½	−0⅝	8.54
EEC 7⅞ 94	225	93⅜	94⅜	−0⅝	−1½	8.60
EIB 7½ 89	200	94⅜	94⅞	−0⅜	−1⅛	8.37
Finland Rep. of 8 86	150	97⅛	97⅝	−0⅛	−1⅜	8.51
Kobe, City of 7⅜ 88	150	90⅜	91½	0	−0⅝	8.50
Neder. Gasunie 8 86	100	99⅝	100	0	−2	8.04
New Zealand 7⅜ 87	200	91⅝	92⅛	+0⅛	−1	8.64
Nippon Tel. & T. 5½ 87	100	82⅜	83½	−0⅜	−1½	8.65
Norges Komm. 7⅜ 91	150	92⅝	93¼	−1⅛	−3	8.77
Norway 6¾ 84	200	91½	92⅛	−0⅜	−1	8.67
Norway 7½ 85	250	96⅞	97⅜	−0⅝	−0⅞	8.20
OKB 6 87	40	88	89	0	0	8.24
OKB 7⅜ 89	100	92	92⅜	−0½	−2⅜	8.56
World Bank 7⅜ 91	400	93	93⅜	−0⅜	−1⅞	8.68
World Bank 7⅞ 90	250	93⅞	94⅜	−0½	−1⅛	8.76

Average price changes... On day −0⅛ on week −1⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	95¼	95¾	+0¼	+0½	6.14
Aumar 5 89	60	93½	94	0	+1⅛	5.88
Australia 3¾ 89	250	89½	90	−0⅛	−0⅛	5.05
Bergen, City of 4¾ 91	40	92¼	93	+0⅛	−0⅛	5.64
BNDE 5 89	75	83⅜	84¼	−1⅛	−3⅛	7.41
BMW Overseas 4¾ 91	100	90½	91	−0½	−1½	5.33
Caisse Nat. Tele. 4¾ 89	100	90½	90¾	−1⅛	−0⅛	5.67
Canada 3⅝ 89	300	89½	90	+0⅛	−0⅛	5.06
Copenhagen 4½ 91	60	88	88½	−0½	−1⅛	5.92
Council of Eur. 5 89	100	92⅜	93⅛	0	−0⅝	5.96
EIB 4½ 91	100	89	89½	−1	+1	5.82
EIB 4⅜ 94	100	85½	86	−0½	+0½	5.86
Elet. de France 4⅜ 89	100	92¼	92½	−0⅞	+1½	5.42
GZB 4¾ 89	100	85½	86	−2	−3¼	6.25
Hilti 4½ 91	35	93½	94¼	0	−2¼	4.95
Int.-Amer. Dev. 4½ 89	100	89⅜	90⅛	−0¼	−0⅝	5.90
Jutland Tele. 5½ 90	50	99⅜	100	−0½	−0⅛	5.52
Malaysia 5 89	80	88½	89	−0⅛	−0⅛	6.61
Nippon Tel. & T. 4⅜ 89	100	91	91½	−1⅛	−2⅜	5.44
Nordic Bank 5 89	45	95½	96	+0⅜	+1⅛	5.59
Norges Komm. 4⅜ 91	100	88½	89	0	+0⅛	5.72
OKB 3¾ 91	100	83	83½	−0½	−1	5.84
OKB 4⅜ 91	100	85½	86	−2⅜	−3	6.12
Oslo, City of 4⅜ 91	100	84⅜	85¼	−1⅛	−3⅛	6.22
Shikoku El. Pwr. 4¼ 89	100	94⅜	94⅜	0	0	5.50
Spain 4 91	100	85½	86	−0½	−0½	5.78
Steweag 4¾ 91	60	90	90½	−0½	−1⅛	5.83
Voest-Alpine 4⅜ 89	90	94¼	95⅛	−1⅛	−2⅞	6.12
World Bank 4⅜ 89	100	95⅛	95⅝	−1⅛	−2⅞	5.22
World Bank 4⅞ 89	150	89⅜	90	−0⅞	−1⅞	5.77
World Bank 4⅝ 91	100	89	89⅜	−1⅛	−2¼	5.94

Average price changes... On day −0⅜ on week −1

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.6 83	30	87	88	−0⅛	−1⅛	9.84
Australia 6½ 88	20	82	83	−1⅛	−2½	9.70
EIB 7⅜ 89	12	93⅜	94⅜	+1⅞	−2⅛	8.65
Finland 5.6 83	10	86½	87½	−0⅜	−1⅛	9.97
Finland 6.8 88	10	83⅜	84⅜	−0⅜	−2	9.72

Average price changes... On day −0½ on week −1⅞

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10¾ 86 C$	25	81½	81⅜	+0¼	−0⅛	15.02
Bell Canada 10¼ 86 C$	60	85½	86	−1⅛	−2⅛	14.17
Cr. Foncier 10⅛ 84 C$	30	86	86⅝	−0⅛	−1⅞	14.61
Ex. Dev. Cpn. 10 84 C$	50	87½	88	−0⅛	−0⅞	13.98
Fst. Can. Inv. 10 84 C$	50	87¼	87¾	−0½	−0½	14.08
Hudson Bay 10½ 89 C$	60	82¼	82¾	−1⅞	−2⅞	13.89
Quebec 10¾ 86 C$	50	80½	82	−3	−4⅛	15.12
R. Bk. Canada 10 86 C$	40	85	85½	−1½	−3⅜	13.68
R. Bk. Canada 10 84 C$	40	74⅛	74⅞	−1⅛	−4	14.23
Copenhagen 8¾ 91 EUA	20	97	98	0	0	9.10
M. Bk. Dnmk. 9 91 EUA	25	94½	95½	0	−1	9.72
SOFTE 8¾ 89 EUA	40	86⅛	87⅝	0	0	10.52
Algemene Bk. 8¾ 84 Fl	75	94⅜	95⅛	−0⅛	−1⅛	9.63
Ned. Gasunie 8¾ 84 Fl	50	95⅛	96	−0½	−1⅛	9.97
Ned. Middbk. 8¾ 84 Fl	75	93⅞	94½	−0½	−1⅜	10.05
Norway 8⅜ 84 Fl	100	93⅛	93⅞	−0⅛	−1⅛	10.23
Norway 8⅜ 84 Fl	100	93⅛	93⅞	−0⅛	−1⅛	10.02
Philips Lamps 8¾ 84 Fl	75	95	95½	−0⅛	−1⅛	9.76
Air France 11 84 FFr	120	95⅞	96⅜	−0⅛	−0⅛	12.07
Euratom 9⅜ 87 FFr	150	84⅞	85⅞	−0¼	−0½	12.94
Finland 11 84 FFr	80	95⅞	96⅜	−0⅛	+0⅞	12.21
Finland 11½ 89 FFr	70	93⅞	94⅞	−0½	−0⅛	12.61
Gaz de France 11 84 FFr	150	94⅞	95⅞	−0⅛	−0⅞	12.32
IBM France 11⅞ 84 FFr	120	96¼	97¼	−0¼	0	12.79
Renault 9¾ 85 FFr	100	86½	87½	−0½	−0⅜	13.24
Saint-Gobain 9⅜ 86 FFr	130	85⅛	86⅛	0	0	13.22
Solvay et Cie 9⅜ 87 FFr	125	82⅝	83⅝	−0⅛	−0⅛	13.56
Total Oil 9⅜ 87 FFr	150	82⅜	83⅜	−0¼	−0⅛	13.15
Citicorp O/S 13½ 90 £	50	93½	94⅛	−0⅛	−1⅛	14.70
EIB 11½ 91 £	25	82½	83½	−0⅛	−2¼	14.66
Finance for Ind. 13 91 £	15	93½	94⅛	+0⅛	−0⅛	14.12
Fin. for Ind. 12½ 89 £	30	87½	88¼	−0⅛	−2⅛	14.85
Gen. Elec Co 12¼ 89 £	50	90⅛	91⅛	−0⅛	−2	14.38
Indonesia 8¾ 91 KD	7	†93	93½	0	+0⅛	8.74
Mitsubishi 7½ 84 KD	10	†95⅛	95⅞	0	0	8.71
Norges Kom. 7½ 89 KD	12	†93⅛	93⅞	0	0	8.52
Occidental 8¾ 91 KD	7	†90⅛	90⅞	0	0	9.56
Akzo 9¾ 87 LuxFr	500	94½	95½	−0¼	+0¼	10.20
Euratom 8 87 LuxFr	500	88⅞	89⅞	0	−0½	10.17
Euratom 9⅞ 88 LuxFr	500	99⅛	100⅛	0	+0⅛	9.76
EIB 9⅜ 88 LuxFr	600	99⅜	100⅜	0	−0⅛	9.70
Volvo 9⅜ 87 LuxFr	500	98⅛	99⅛	0	0	9.96

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 6⅜ 87	0¾	97⅞	98⅛	2/7	15⅝	15.45
Banco di Roma Int. 6 87	0¾	99	99½	26/4	15⅜	15.87
Bank of Ireland 5¾ 89	‡0¼	97⅛	97⅝	21/2	15.69	16.07
Bank of Tokyo 5⅜ 89	‡0⅜	97⅛	97⅝	25/4	14.56	14.96
Barclays O/S Inv. 5 90	0¼	96⅜	97¼	13/6	14⅜	14.69
Bergen Bk. A/S 6 89	‡0⅛	96⅜	97⅛	29/2	14.31	14.78
Bque. Indo Suez 5¾ 89	0¼	97⅜	98⅛	11/7	14.69	14.99
Citicorp O/S F. 6 94	‡0¼	98½	99	8/3	14.44	14.62
Citicorp O/S F. 93	§‡0	99½	100	23/2	15¼	15.16
Citicorp O/S F. 84	‡0	99⅛	99⅜	29/2	14⅝	14.70
Co-operative Bk. 6 86	0¼	97⅜	98⅛	15/5	15.06	15.39
Creditanstalt 5½ 91	§‡0¼	98	98½	14/3	14⅞	15.14
CNT 5⅜ 86	§0¼	98⅞	99⅜	16/4	15.19	15.32
GZB 5½ 89	‡0¼	97½	98	1/5	14⅝	14.96
Jugobanka 8 89	0⅞	92½	93½	23/5	16	17.20
Ind. Bank Japan 5⅜ 87	0¼	97⅛	97⅝	15/4	14⅛	14.63
LTCB Japan 5⅜ 86	0¼	96⅜	97⅛	13/6	14⅛	14.69
LTCB Japan 5½ 89	0⅜	96⅞	97⅛	7/8	14.19	14.61
Mfrs. Han. O/S 5¾ 94	‡0⅛	98¼	98¾	29/2	13.81	14.02
Midland Intl. Fin. 5 89	0¼	98⅛	98⅝	20/6	15	15.21
Nacional Fin. 6⅜ 85	0¼	96⅞	97⅜	25/7	14.69	15.12
Nat. West. 5¼ 94	§0¼	97⅛	97⅝	11/4	14.94	15.32
Nippon Credit 6½ 86	0¼	97	97½	12/7	14.44	14.85
Nippon Credit 5⅜ 87	‡0¼	97⅝	98⅛	6/5	14.69	15.01
Royal Bk. Scot. 5¼ 94	§‡0¼	97¼	97¾	11/4	14⅜	14.92
Soc. C. de Bque. 6½ 87	0⅜	95⅞	96⅜	3/4	13⅜	13.78
Sogenal 5⅜ 89	§0¼	96	96½	13/7	14.44	15.00
Sweden 6⅜ 91	‡0¼	96⅝	97⅛	18/4	14.44	14.90
TVO Pwr. 9 91 (D-lock)	0⅜	96⅞	97⅜	24/5	15.31	15.77
Williams & Glyn 5⅜ 91	0⅜	97¼	97¾	14/3	13	13.33
Bq. E d'Alg. 4¾ 89 SF	0¾	94½	95¼	18/8	6.69	7.05

Average price changes... On day −0⅛ on week −0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¼ 89	10/79	145	116⅜	117⅜	+0⅛	−5.90
Ajinomoto 7⅜ 95	2/80	618	95⅛	96½	−0½	7.68
Alco Int. Fin. 9½ 94	1/80	40	95⅞	96⅞	0	17.09
Asahi Optical 7 94	11/79	605	83½	84½	−3⅛	2.93
Canon 6⅜ 94	8/79	570	102⅛	103⅛	−0⅜	0.92
Ciba-Geigy O/S F. 4 94	9/79	675	86½	87½	+0½	−3.59
Credit Suisse 4¾ 93	10/79	1325	109	110½	0	−3.24
Daiei Inc 6½ 94	11/79	1020	90⅞	91⅞	−1⅛	3.29
Ensearch Fin. 9½ 94	7/80	30.25	112⅜	113⅜	0	8.20
LPC Internatnl. 8 89	9/79	35	115½	117	+0⅛	7.41
Meidensha Elec. 7 94	12/79	210	89	90	−0⅞	20.85
Mitsubishi Cp. 6½ 94	10/79	604	115⅝	117⅛	0	10.08
Nippon Seiko 7¾ 94	12/79	339	†102	103	+0½	2.43
Nitto Elec. Ind. 6 94	7/79	735	72	73½	−1⅛	5.99
Toshiba Cpn. 7⅜ 94	10/79	198	96½	97½	−0½	4.89
Union Bk. Switz. 5 89	2/80	125	104	105⅞	−0⅞	−2.40
Fujitsu 5 84 DM	7/79	475	100⅛	100⅞	+0⅛	28.12
Kansai Elec. 4 84 DM	4/79	1234	83⅜	84⅛	−1⅛	60.04
Tokyu Ld. Cp. 4 86 DM	4/79	493	75⅛	76⅛	−1⅛	39.21
Uny Co. 6½ 86 DM	11/79	1071	91⅞	92⅛	−1	30.45

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Outstanding year for Daimler-Benz

BY KEVIN DONE IN FRANKFURT

DAIMLER-BENZ, the leading West German motor manufacturer, enjoyed an outstanding year in 1979 and is planning further production increases in 1980, despite the fall in overall sales expected in the West German motor market.

Total group sales rose by 12.8 per cent to DM 30.4bn ($17.4bn), and there were substantial increases in volume sales of both cars and lorries.

Car sales to the West German market rose by 10 per cent to a total of 234,000 vehicles, while exports increased by 3.6 per cent to 183,000. By contrast, overall demand for motor cars in West Germany slackened last year after several years of rapid growth. The total of new cars registered reached 2.62m, just below the record level reached in 1978.

Daimler-Benz pushed up car production last year by 7.4 per cent to 422,159 models, compared with a general production rise in the West German motor industry of only 1.1 per cent.

It is planning a further increase in production this year to more than 430,000 cars, at a time when other leading manufacturers of large cars in West Germany, such as Opel and Ford, are having to put plants on short-time working.

The increase in new orders taken during 1979 matched the rise in sales, and Daimler-Benz is confident that the strength of its existing order books will keep its car plants working to capacity this year.

The production of diesel cars rose particularly sharply with an increase of 14.7 per cent, and output in this sector accounted for 48 per cent of total car manufacture.

Demand for Mercedes-Benz cars is being maintained at a high level this year, partly as a result of the introduction of the new S-series, which was brought to the market at the Frankfurt motor show last September.

Car sales in the U.S., the company's most important export market, increased last year by 13 per cent to some 53,000 models, at a time when there was a fall of about 10 per cent in domestic car sales by U.S. manufacturers.

The high level of capital investment by West German industry, combined with a surge of activity in the building sector, also ensured substantial gains for the company's truck and bus division last year.

The group's production of commercial vehicles, trucks and buses rose worldwide by 7 per cent to 256-467 vehicles, while output in West Germany increased by 9.1 per cent to 188,772.

Sales in the home market rose by 10 per cent to 88,000 vehicles, just outpacing the general expansion of the West German market, where new registrations increased by 9 per cent to a total of 170,000.

After a decline in 1978 and 1977, overall West German utility vehicle exports rose last year by 5.4 per cent to 178,000 vehicles, while total production increased by 7 per cent to 317,000.

Daimler-Benz made particular inroads in the commercial vehicle and truck markets in the UK, France, Belgium, Italy and Switzerland. A total of 67,695 vehicles were assembled in Brazil and Argentina, and Daimler-Benz is planning to open a new truck plant in Virginia in the U.S. this summer, with an initial capacity of 6,000 vehicles a year.

Group profits for 1979 have not yet been announced, but the company expects the total easily to exceed last year's level of DM 592.8m.

Deutsche Babcock grows abroad

BY ROGER BOYES IN BONN

DEUTSCHE BABCOCK, the West German construction and engineering group, has reported sharply increased profits, higher sales and healthy order books, thanks both to strong domestic investment and buoyant foreign demand.

Herr Hans Ewaldsen, the group's chief executive, announced that balance sheet profits totalled DM 45m last year compared with DM 41m in 1978, while profits attributable to shareholders reached DM 41m ($23m) against DM 37m in 1978.

This increase was on a sharply higher turnover of DM 4.4bn ($2.5bn) compared with DM 3.7bn in 1978. Foreign sales accounted for 58 per cent of this, compared with 50 per cent in 1978 and only 27 per cent in 1974.

The growing role of foreign business has been one of the most distinctive features of the group as it has steadily diversified away from its traditional area of building conventional power stations in Germany. The group now has interests in mechanical, environmental, and process engineering, as well as power generation.

Several factors have contributed to Deutsche Babcock's current position. In the first place, the acquisition of a number of overseas concerns has raised the turnover figure and given it access to new markets. The group took a 50 per cent stake last year in the South Korean mechanical engineering company Daihan Boiler, which has been renamed Daewoo-Babcock. Babcock has also established companies in Nigeria and South Africa.

Deutsche Babcock, which is 25 per cent owned by Iran, has traditionally done well in OPEC countries—Kuwait, for example, has recently ordered eight boilers for a desalination project. But the group is feeling pressure especially from Japanese and other competitors, who have profited from the Deutsche-Mark's strength against the dollar and the yen.

The central overseas marketing logic of Deutsche Babcock is designed to minimise the problems created by exchange rate developments. Thus it has acquired production facilities in countries with relatively cheap labour—such as South Korea—and it has taken over U.S. companies like Ford Bacon and Davis, to secure and expand its place in the market. In addition, it has raised its stake in a whole series of subsidiaries in Argentina, Brazil, France and the U.S. with a view to expanding the sales base.

But, despite these moves, Deutsche Babcock is still concerned about the political uncertainties surrounding some of its key overseas markets. The developments in Iran, although they are not expected to have an impact on the Babcock holding, and the general reluctance of OPEC countries to recycle funds from the latest oil price rise, cast something of a shadow over the future of Middle East trade, at least in the short term. In Germany, however, a 5 per cent anticipated rise in electricity consumption and a continuing deadlock on nuclear power augur well for domestic demand.

Fitzwilton ahead at six months

By Our Financial Staff

FITZWILTON, the Irish holding company, yesterday reported pre-tax profits of Irish £707,000 ($1.49m) for the half-year to December 31, 1979, against Irish £686,000 last time. The company will pay an interim dividend of 2p net, up from 1.8p last year.

Mr. Tony O'Reilly, the chairman, said that there had been a further marked improvement in trading results, arising from satisfactory progress by the group's textile division, whose market share continues to expand.

Secondly, Mr. O'Reilly said that there had been progress by the group's associate company Independent Newspapers, which showed a 23 per cent rise in attributable profits over 1978, with a substantial benefit to dividend income.

But there had also been an increase in the trading losses attributable to the group's stake in Goulding Chemicals. The indications were that Goulding will again show profits for the year as a whole, despite the effects of rapid inflation in the prices at which it must buy raw materials internationally.

Fitzwilton's directors said that they anticipated that group profits for the full year would be satisfactory.

Ruhrkohle to spend DM 8bn

BY OUR FRANKFURT CORRESPONDENT

RUHRKOHLE, West Germany's leading producer of hard coal, is planning an investment programme of DM8bn-DM8.5bn ($4.6bn-$4.9bn) over the next five years, to develop its production capacity and explore new coal fields. More than DM1.6bn will be spent this year chiefly on developing new capacity, both for deep mines and for open-cast pits.

Over the next five years, DM5bn-DM5.5bn of the total capital spending programme will be directed towards opening up and equipping new mines.

Ruhrkohle is aiming to sustain a production capacity of some 63m-65m tonnes a year through to the 1990s.

Since 1974, Ruhrkohle has been systematically exploring new coal reserves in the vicinity of existing pits, and these will be brought gradually into production during the 1980s.

In addition to this programme, the company is preparing a further exploration programme to assess other reserves in the areas around Haltern/Olfen, Schermbeck and Hamm/Werne. In the next few years, Ruhrkohle envisages an annual expenditure of about DM 60m for this exploration work, which is aimed at proving reserves to take production to the end of the century.

Domestic coal production will not be enough, however, to meet the growing demand expected over the next 10 years as West Germany begins to build a series of coal gasification and eventually coal liquefaction plants.

Increasingly, coal will have to meet the Federal Republic's energy demand as imports of crude oil level off. As a result, Ruhrkohle is also investing overseas to develop mining capacity in Australia and North America. At present, coal imports to West Germany are strictly limited, to protect the high-cost domestic mining industry, but Ruhrkohle is trying to ensure that it also has a share of the import trade that is expected to develop later in the 1980s.

U.S. move by AG de France

By David White in Paris

ASSURANCES GENERALES De France, the second largest of France's state-owned insurance groups, is planning its first major foothold in the U.S. with a specialised reinsurance subsidiary in New York. It envisages an initial capital investment of $20m.

The group, which decided on the project some weeks ago, is awaiting approval by U.S. and New York State authorities. The go-ahead is expected in about two months.

The U.S. company, AGF Reinsurance U.S., is to be attached to the group's 100 per cent subsidiary AGF Reassurance. In the first stages it will concentrate its activity in New York State, but expansion to other areas of the U.S. is envisaged later.

AGF Reassurance already has a 20 per cent stake in United Reinsurance Corporation, which is managed by the U.S. partner, Reinsurance Corporation of New York. Equal stakes are held by Norwich Winterthur Reinsurance Corporation of the UK and by Belgian and Finnish insurance groups.

The French concern had a more important minority interest in the General Security Group in the U.S., but ceded its interest some years ago to the leading French insurer, Union Des Assurances de Paris (UAP).

New Swedish cargo group

By Victor Kayfetz in Stockholm

TWO SWEDISH shipping companies, Brostroem and Tor Line, are forming a new company called Tor Lloyd which, beginning on March 15, will handle their North Sea and Baltic Cargo operations, Brostroem announced yesterday.

Tor Lloyd, which will offer more than 50 sailings weekly, is expected to carry more than 2m tonnes of cargo per year and have an annual turnover of SKr 400m ($96m).

The North Sea operations of Tor Lloyd will occupy nine cargo vessels. According to Brostroem, the formation of the new company "makes possible an entirely necessary rationalisation of North Sea traffic."

Finnish co-op banks have best decade yet

BY LANCE KEYWORTH IN HELSINKI

THE YEAR 1979 was the best since 1970 for the Co-operative Bank Organisation of Finland for deposit growth, and the past decade has been the most successful in the group's history. While noting this in his presentation of the preliminary report for fiscal 1979 of Okobank (the central bank of the co-operative banks), Mr. Seppo Konttinen, chief general manager of Oko, sharply criticised Finnish foreign exchange policy.

"Exchange rate decisions have recently, both in their timing and in their implementation, been tied to incomes policy negotiations," he said. This was a clear reference to the rumours that the unions will insist on another three per cent revaluation of the Finnmark in the near future, in return for moderation of their current demands for wage and fringe benefit increases.

The Oko group's deposits increased by 19 per cent to FM 2.34bn ($634m) in 1979. Discounted for inflation, the real increase was 10 per cent, the best result since 1970. The increase in the parent bank's deposits was 17.4 per cent.

EUROCURRENCY MARKET

Cleared by a BIS economist

BY DAVID MARSH

THE EUROCURRENCY market is for the most part innocent of the charges that it adds to international inflation and currency unrest, although it can under certain circumstances blunt the effectiveness of domestic monetary policies. That is the main conclusion of a research paper published by a senior economist of the Bank for International Settlements, Dr. Helmut Mayer, who argues that the Euromarket primarily serves as an international transmission mechanism between individual national money markets rather than as a separate credit-creating entity of its own.

The author stresses that the conclusions of the paper are his own and not the official views of the BIS. But it is likely that some of the points made in the document will be partially reflected in the report on methods of improving Euromarket control being prepared under the aegis of the BIS by working parties from major central banks. Technical experts held their final meeting on drawing up the report at the beginning of this week, and it is due to be handed to central bank governors next month.

Dr. Mayer says the increased international integration of money and capital markets has undeniably reduced national autonomy in the use of monetary policy for domestic purposes. This may be particularly hard to accept when the influences transmitted by the international banking sector are the result of policy failures in other countries. However, these drawbacks could in part be avoided through greater international policy co-ordination. And Dr. Mayer suggests that any disadvantages must be set against the contribution of the Euromarket to the financing of oil-induced payments deficits, and the market's positive impact on international trade, investment and economic development.

The paper makes the fundamental point that although the Euromarket is not subject to centralised control by a single central bank, it is far from being a self-contained entity. All the assets of the Euro-banks are claims on the banks or non-bank residents of particular countries, and all the funds deposited in them are owned by residents of individual countries spread around the world. The market's development will thus be determined in large measure by policies and by general economic developments in the main participating countries.

In particular, the Euromarket has no influence on the size of the U.S. monetary base "and therefore cannot push the U.S. monetary authorities out of the driving seat," Dr. Mayer says.

The paper says that international bank lending has, on balance, undeniably had expansionary effects. When domestic monetary policies are not geared to balance of payments requirements, these may be de-stabilising—particularly when they add to capital outflows from the U.S. at a time when the U.S. balance of payments is otherwise in equilibrium or in deficit. On the other hand, expansionary effects will be welcome when they tend to offset balance of payments disequilibria in the rest of the world. But much of such lending has been unconstitutional—it would have taken place anyway via flows between national markets even if the Euromarket had never developed.

A large proportion of non-bank deposits in the Euromarket has also acted as a substitute for the growth of conventional non-bank deposits. "It is difficult to argue that the uncontrolled growth of private non-bank liquidity held in the Eurocurrency market has been a major influence in the dismal performance of the industrial countries in the field of price stability," the paper argues.

Notice of Redemption

Occidental Overseas Capital Corporation

9¾ % Guaranteed Sinking Fund Debentures Due March 15, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Fiscal Agency Agreement dated as of March 15, 1970 under which the above described Debentures were issued, Citibank, N.A. (formerly First National City Bank), as Fiscal Agent, has drawn for redemption on March 15, 1980, through the operation of the sinking fund provided for in said Fiscal Agency Agreement, $1,841,000 principal amount of Debentures of the said issue of the following distinctive numbers:

COUPON DEBENTURES OF $1,000. PRINCIPAL AMOUNT OUTSTANDING

M 8	1729	3462	5421	7165	8686	9978	11368	12909	14336	16047	17503	18679	19984	21261	22498	23852
50	1731	3519	5453	7167	8682	9986	11375	12914	14348	16055	17521	18680	19986	21296	22520	23855
51	1733	3533	5454	7219	8684	9988	11383	12915	14361	16056	17524	18681	19989	21297	22522	23860
54	1762	3536	5477	7226	8688	10023	11386	12930	14367	16060	17542	18687	19999	21305	22560	23886
65	1771	3537	5481	7249	8707	10035	11388	12940	14384	16082	17564	18698	20030	21325	22561	23913
127	1784	3570	5488	7250	8730	10042	11402	12958	14387	16085	17590	18699	20034	21329	22577	23926
138	1809	3577	5500	7260	8736	10049	11404	12959	14397	16107	17593	18726	20036	21341	22578	23970
284	1812	3588	5502	7295	8739	10063	11405	12960	14410	16121	17594	18727	20039	21351	22584	23969
306	1815	3594	5503	7297	8743	10082	11406	12982	14415	16123	17609	18728	20052	21355	22585	23988
307	1830	3704	5519	7329	8754	10112	11434	13024	14424	16142	17623	18765	20089	21356	22588	23998
310	1847	3705	5529	7349	8756	10128	11436	13028	14428	16148	17627	18766	20108	21369	22592	24035
311	1854	3820	5533	7371	8757	10146	11437	13044	14429	16155	17632	18774	20131	21387	22631	24038
317	1895	3871	5538	7384	8764	10153	11446	13054	14434	16163	17636	18792	20132	21411	22637	24061
322	1916	3889	5708	7408	8785	10164	11491	13063	14445	16164	17642	18793	20139	21414	22638	24068
358	1917	3891	5715	7498	8789	10171	11513	13066	14448	16175	17646	18796	20161	21441	22642	24090
359	1943	3892	5740	7515	8797	10187	11514	13073	14463	16176	17648	18798	20172	21450	22678	24092
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The Debentures specified above are to be redeemed for the said sinking fund at the Securities Services Department of the Fiscal Agent, 111 Wall Street, in the Borough of Manhattan, The City of New York, State of New York, or, subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in Amsterdam, London, Paris, Frankfurt/Main or Brussels or at the main offices of Algemene Bank Nederland N.V. in Amsterdam, Banque de Bruxelles S.A. in Brussels, Commerzbank Aktiengesellschaft in Düsseldorf, Dresdner Bank Aktiengesellschaft in Frankfurt/Main, Hambros Bank Limited and N. M. Rothschild & Sons in London, Banque de Paris et des Pays-Bas in Paris and Banque Internationale à Luxembourg in Luxembourg, the Company's paying agents, and will become due and payable, by a United States dollar check drawn on a bank in New York City or by a transfer to a United States dollar account maintained by the payee with a bank in New York City, on March 15, 1980, at the redemption price of 100 percent of the principal amount thereof plus accrued interest on said principal amount to such date. On and after such date, interest on the said Debentures will cease to accrue.

The said Debentures should be presented and surrendered at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date.

Coupons due March 15, 1980 should be detached and presented for payment in the usual manner.

For OCCIDENTAL OVERSEAS CAPITAL CORPORATION

By CITIBANK, N.A., Fiscal Agent

February 14, 1980

NOTICE

The following Debentures previously called for redemption through the operation of the Sinking Fund have not as yet been presented for payment.

DEBENTURES CALLED MARCH 15, 1973

4233 4951 6808 6981 7742 10395 10899 11367 12102 17980 20345 20521 24821

DEBENTURES CALLED MARCH 15, 1974

4751 4753 4756 5853 7580 7945 16964 19560 21889 22689 23692

DEBENTURES CALLED MARCH 15, 1975

97 5364 6026 8186 8721 8920 11219 18537 23471 24423
655 5495 8034 8309 8727 8950 18519 23131 23901 24987

DEBENTURES CALLED MARCH 15, 1976

99 583 1055 2106 2850 5320 6489 7102 8168 9140 12570 14201 15059 17737 19431 20505 23415
102 586 1228 2575 2959 5322 6517 7126 8189 9156 12767 14233 16874 17760 19623 22707 24010
131 747 1231 2844 3677 5457 6948 8143 8200 9501 13789 14264 16879 18974 19628 22710 24592
480 1006 1967 2849 3703 6213 7086 8146 9135 10707 14116 15011 17233 19327 20498 22771

DEBENTURES CALLED MARCH 15, 1977

389 877 2231 3860 4904 5976 7991 10654 11694 13930 15831 17600 18903 19901 23191
537 918 2338 4029 5248 6668 7992 10799 12324 13956 16307 17747 18907 20881 23353
681 1019 2843 4204 5252 6870 8239 10810 12625 14140 16614 17923 19073 22248 23388
789 1077 2873 4234 5308 7110 8750 10857 12643 14510 17126 18236 19177 22706 23900
828 1360 3084 4479 5465 7554 8879 10943 13629 14839 17127 18393 19187 22796 24465
829 1566 3691 4869 5738 7594 9009 10981 13928 14840 17128 18468 19282 22797
852 1623 3859 4902 5821 7693 10021 10982 13929 15192 17292 18861 19896 22969

DEBENTURES CALLED MARCH 15, 1978

93 1138 2388 3857 6095 7169 8419 9563 10702 12403 12663 13477 14151 15835 17421 18776 23248
100 1180 2447 4017 6154 7535 8472 10015 10704 12470 12664 13670 14442 15837 17422 18939 23464
128 1245 2614 4997 6218 7551 8501 10016 10861 12479 13018 13870 14508 15838 17569 19079 23568
291 1488 2707 5002 6221 7632 8794 10442 10979 12483 13103 13871 14558 16399 17570 19721 23842
352 1814 2871 5020 6480 7729 8795 10447 11360 12497 13200 13996 14576 16598 17613 20304 23871
353 1816 3212 5025 6639 7785 8951 10449 11363 12565 13383 13997 14579 16873 17935 22709 24343
851 2035 3248 5097 6905 8199 9066 10497 11866 12641 13394 13999 14631 17112 18213 22789 24897
885 2249 3271 5359 6991 8205 9378 10566 12119 12657 13397 14083 14867 17114 18377 22799 24967
889 2353 3372 5966 7056 8335 9492 10655 12325 12639 13398 14118 15012 17363 18469 22800

DEBENTURES CALLED MARCH 15, 1979

41 942 1696 4056 7527 8923 9515 10742 12013 12946 14024 15872 17696 18517 19330 22967
61 991 1759 4405 7560 9012 9542 10746 12063 13009 14078 15288 17718 18622 19332 22980
95 1051 2145 4664 7747 9019 9545 10854 12064 13017 14089 15835 17745 18633 19493 23048
303 1074 2246 4672 7749 9038 9727 10858 12292 13105 14141 15836 17936 18694 19627 23266
394 1075 2431 4697 7752 9051 9729 10860 12322 13152 14291 16324 18004 18700 19674 23509
397 1103 2522 4797 8005 9072 10080 10862 12323 13178 14292 16336 18134 18751 19676 23511
398 1176 2869 4998 8007 9143 10108 10922 12375 13282 14443 16339 18203 18772 20258 23530
408 1239 2834 5000 8084 9149 10109 10959 12376 13395 14503 16384 18280 18778 20823 23579
565 1317 3385 5001 8183 9160 10208 10980 12471 13424 14531 16394 18343 18779 22324 23739
612 1362 3383 5003 8192 9164 10379 11204 12478 13500 14599 16584 18378 18860 22329 24086
682 1365 3408 5017 8194 9317 10502 11359 12609 13516 14637 16877 18397 18892 22627 24108
687 1373 3581 7057 8198 9328 10503 11474 12629 13587 14809 16917 18422 18940 22888 24340
712 1374 3675 7171 8233 9334 10540 11826 12630 13687 14811 17108 18436 19003 22794 24484
734 1401 3718 7172 8277 9336 10619 11867 12774 12861 15003 17337 18467 19020 22795 24974
741 1450 3858 7185 8302 9337 10696 11937 12775 13963 13291 17443 18480 19121 22803
906 1624 4042 7519 8649 9339 10735 12011 12783 13972 15368 17611 18511 19315 22806

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Reliance on coal boosts AECI result

BY QUENTIN PEEL IN JOHANNESBURG

AECI, South Africa's chemical giant in which ICI and De Beers each has a 40 per cent stake, has turned in sparkling year-end results, with a 31 per cent increase in pre-tax profits based on a 27 per cent increase in turnover.

Reaping the benefit from its strategy of relying on coal as a chemical feedstock, rather than oil, AECI's pre-tax income for the year ended December 31 was R125.4m ($154.6m), compared with R95.3m in 1978, and its final dividend 18 cents, against 12 cents, making a total distribution for the year of 30 cents per share, against 22 cents. Turnover was R895.6m ($110.4m) or 27.3 per cent more than the previous year's R703.5m.

The major factor behind the chemical group's healthy performance was a 12 per cent increase in domestic sales volume, reflecting the accelerating improvement in the South African economy, and the particular strength of the mining sector, as well as improved demand from agriculture and industry.

Export sales also performed well, rising from R45.2m in 1978 to R54.7m last year. The most significant performance was in PVC exports from Coalplex (the coal-based chemical complex jointly operated with Sentrachem) which reached 42,000 tonnes.

The improvement in volume from Coalplex pushed the plant into the black last year for the first time, Mr. Denys Marvin, the group managing director, confirmed. PVC sales were buoyant in spite of the loss of the Iranian market. Although the company refuses to say where it has found new markets, they certainly include Latin America, although not Europe.

The latest results do not include the significant improvement in profits from Triomf Fertilizer, which AECI owns jointly with Mr. Louis Luyt's Triomf Investments, the company said. The results of foreign subsidiaries — in Rhodesia and Brazil—have also not been consolidated.

Mr. Marvin forecast yesterday a further "substantial improvement" in profits in the current year. The group's capital expansion programme has slowed compared with recent years, but a R400m plant to produce methanol from coal, both as a chemical feedstock and fuel, is under consideration.

Besides a R40m expansion at SA Nylon Spinners, and a R150m low-density polyethylene plant, the plans for which have already been announced, AECI is considering building a R35m ethylene glycol plant, and a R15m polyol production plant. The projects are likely to be confirmed this year.

Apart from the "mega-methanol plant," capital expansion in the coming year is likely to be financed from retentions and local borrowing, Mr. Marvin said. AECI has just raised A30m in debentures in Johannesburg.

Further growth at United Mizrahi

By L. Daniel in Tel Aviv

UNITED MIZRAHI BANK—Israel's fourth largest—has reported a third consecutive year of rapid growth for 1979. All results show advances considerably in excess of both the 1979 rate of inflation of 115 per cent, and of the devaluation of the Israel pound against currencies in general. Both have to be considered since just under half of the bank's business is in foreign currency.

The consolidated balance sheet of the bank and its subsidiaries (such as its investment company) increased to I£58bn ($1.5bn) from I£23.5bn at the end of 1978. Gross profit rose to I£748m ($19.4m) from I£110m. The bank will pay an unchanged cash dividend of 15 per cent on ordinary share and distribute bonus shares at the rate of 35 per cent.

The bank is about to acquire control of the Tfachot Mortgage Bank from the Israel Government. Of the $19m purchase price, I£400m ($10.3m) is to be raised by a rights issue on the Tel Aviv Stock Exchange, and part will be drawn from accumulated reserves.

The Governor of the Bank of Israel favoured the sale to a smaller bank, in order to prevent further concentration of power in the hands of the "big three" (Bank Leumi, Bank Hapoalim, and Israel Discount).

Sharp rise at Sentrachem in first half

SENTRACHEM the South African chemicals group, has reported a jump in pre-tax profit to R30m ($37m) for the six months ended December 31, compared with R17.2m for the same previous period.

Earnings per share advanced to 33 cents from 17.7 cents and the interim dividend is doubled to 14 cents.

Net profit came to R18.8m compared with R9.9m after tax of R9.4m against R5.7m.

The company said in an interim statement that in the second half of the year the results of Fedmis, which will shortly become a wholly owned subsidiary, will be included in the group's financial statements and will make a substantial contribution to profits.

Group pre-tax and distributable income for the year is therefore expected to grow by at least 80 per cent over 1978/79 when pre-tax profit totalled R38.41m.

Sentrachem said it should be noted that the issue of shares to General Mining and Finance Corporation and Fedmis will result in some dilution of earnings per share.

But, after taking this into account, it is expected that earnings per share for the year should improve by at least 50 per cent on the 40.9 cents of 1978/19's. The company has already committed itself to a final dividend of 17.5 cents, it added.
Reuter

Kohler ahead despite costs rise

BY JIM JONES IN JOHANNESBURG

KOHLER BROTHERS, South Africa's second largest printing and packaging group, increased its pre-tax profits by 22.8 per cent to R19.7m ($24.3m) in the year to December 31, from R16.1m in 1978. The percentage increase was marginally below the 23.9 per cent rise in turnover, to R113.3m ($139.7m), from R92.9m, as two raw materials price increases had to be absorbed during the year.

Mr. Anthony Crosby, the managing director, is confident that rising consumer spending will result in greater demand for his company's products during the current year. This year, R16m is planned to be spent on expansion and modernisation

To an extent, Kohler's 1979 profits were retarded because raw materials price increases could not immediately be passed on to customers. This situation should improve this year, but the country's packaging industry is highly competitive and margins are expected to remain tight.

Kohler has changed to a LIFO (last in first out) accounting system which has resulted in a temporary slow-down in earnings growth. After LIFO adjustments, earnings per share amounted to 125.3 cents, compared with 119.0 cents without LIFO adjustment, from which dividends totalling 61 cents, against 50 cents, have been declared.

Kohler is 72.6 per cent-owned by Union Corporation.

* * *

SIEMENS AG's 52 per cent owned Siemens Limited in which General Mining has acquired a 16 per cent interest expects its performance to be good in 1979-80 despite some disquieting international developments, Mr. William Coetzer, the South African unit's chairman, said in his annual report, Reuter reports from Johannesburg.

Underemployed capacities and considerable liquidity invite further expansion, he said, and the Electricity Supply Commission's electricity generation project and South African Railways and Harbour's electrification programmes will stimulate the economy further.

Prospects in South Africa for Siemen's data and information systems are good for 1979/80. Micro-electronic and other devices, such as gas arrestors and printed circuit boards, will soon be manufactured locally.

Taxed profit in the year ended September 30 was a record R6.5m ($8m) compared with R4.6m in the previous year. Turnover came to R210m against R185m.

FEL continues in the red

BY GEORGIE LEE IN SINGAPORE

FAR EAST LEVINGSTON Shipbuilding (FEL), the major Singapore rig and ship builder, has again ended up in the red. Preliminary figures for the year to December showed a loss of S$5.5m (U.S.$2.5m), compared with the previous year's loss of S$4.8m.

The company said that despite a good start to the year, it was unable to obtain satisfactory orders.

However, the directors have forecast a return to profitability soon for the group.

As a result of the intense search for offshore oil resources and greater offshore exploration. Far East Levingston said that it has, over the past two months, signed contracts for offshore drilling rigs valued at more than S$200m for delivery in 1980/81 and is negotiating further contracts of significant value for deliveries in 1982.

Some of these contracts are subject to loans being made available under the Singapore Government's ship financing scheme.

Far East Levingston, therefore, has the expectation in the next few years of erasing losses and achieving profit levels as in 1974 to 1977.

The group is to pay an unchanged first and final gross dividend of 5 per cent.

* * *

PRIMA, THE major Singapore flour miller, has reported a sharp increase of 137 per cent in group net attributable profit to 10.96m (U.S.$5.1m) for the year to December. Group operating profit was 75 per cent higher at S$18.46m.

Prima has declared a final dividend of four per cent tax exempt, and ten per cent less 40 per cent Singapore tax, making an unchanged total distribution for the year of ten per cent tax exempt and ten per cent less tax.

CURRENCIES, MONEY and GOLD

Dollar firm

The dollar was firm against ...e Swiss franc and Japanese ...n in the foreign exchange mar...t yesterday, rising to SwFr ...430 from SwFr 1.6380, and to ...46 from Y245.40. It eased ...ightly to DM 1.7475 from DM ...7460 against the D-mark, while ...e U.S. currency's trade-...ighted index, as calculated by ...e Bank of England, fell to 85.7 ...om 85.8.

Sterling's index, on Bank of ...gland figures, rose to 72.5 from ...3, and stood at 72.5 at noon ...d in early trading. The pound ...ened at $2.2750-$2.2760, and ...ll to a low point of $2.2710-...2720, before recovering to ...ound $2.28.

Later in the day sterling rose ... a best level of $2.2825-$2.2835, ...t then fell to $2.2775, before ...osing at $2.2790-$2.2800, a rise ... 75 points on the day.

Although there was little sign ... intervention by central banks ... the market, the German Bun-...sbank and Swiss National Bank ...ay have been active. The Swiss ...anc was particularly weak, ...aching a low point of SwFr ...250 against the dollar.

D-MARK — Very strong, but ...maining steady within the ...uropean Monetary System—...e D-mark showed mixed ...anges against other members ... the European Monetary ...stem, losing ground against the ...ench franc, and Danish krone, ...t improving in terms of the ...sh punt, Dutch guilder, and ...lgian franc at the Frankfurt ...ing. Outside the EMS sterling ...l to DM 3.9760 from ...I 3.9830, while the Swiss franc ...e to DM 1.0705 from ...I 1.0681. The Bundesbank did ...t intervene when the dollar ...s fixed at DM 1.7460, com-...red with DM 1.7446 previously. ...d there was uncertainty about intervention by the central bank in the open market.

DANISH KRONE — Basically weak, suffering two devaluations since EMS began last March—The krone declined against its EMS partners and most other major currencies at the Copenhagen fixing. The dollar rose to DKr 5.4525 from DKr 5.45, but sterling fell to DKr 12.4080 from DKr 12.3710, and the Swiss franc to DKr 3.3340 from DKr 3.3350.

BELGIAN FRANC—Generally weakest member of EMS, but resists devaluation—The franc lost ground against the dollar, D-mark and French franc at the Brussels fixing despite the upward trend in Belgian interest rates. The dollar was fixed at BFr 28.3525 compared with BFr 28.345 previously, but sterling fell to BFr 64.5925 from BFr 64.73.

DUTCH GUILDER—Steadier recently, near top of EMS—The guilder lost ground to most other EMS currencies, declining against the Deutche Mark, French franc, Belgian franc, Italian lira, and Danish krone at the Amsterdam fixing. The Dollar rose to Fl 1.9230 from Fl 1.9210, but the pound fell to Fl 4.3790 from Fl 4.3870.

JAPANESE YEN — Energy problems reflected in sharp decline last year, but steadier until recent days when downward trend has been renewed—The yen continued to decline despite support by the Bank of Japan. The Japanese authorities moved to assist the Japanese about $70 to assist the Japanese currency, which fell against the dollar in the Tokyo market, against a background of rising inflation and balance of payments problems. The dollar rose to Y246.45 from Y245.10 in fairly heavy trading.

...MS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 20	% change from central rate	% change adjusted for divergence	Divergence limit %
...ian Franc	39.7897	40.5429	+1.91	+1.50	±1.53
...ch Krone	7.72336	7.77223	+0.63	+0.22	±1.64
...an D-Mark	2.48208	2.49787	+0.64	+0.23	±1.125
...ch Franc	5.84700	5.85206	+0.09	−0.32	±1.3557
...ch Guilder	2.74362	2.74989	+0.23	−0.18	±1.512
...h Punt	0.668201	0.674032	+0.87	+0.46	±1.668
...an Lira	1157.79	1156.76	−0.09	−0.09	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Feb. 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2710-2.2835	2.2790-2.2800	0.52-0.42c pm	2.47	1.25-1.15 pm	2.10
Canada	2.6270-2.6425	2.6300-2.6310	1.05-0.95c pm	4.56	2.50-2.40 pm	3.72
Nethlnd	4.36½-4.40	4.38½-4.39½	2½-1½c pm	5.47	6½-5½ pm	5.47
Belgium	64.40-64.80	64.65-64.75	18-8c pm	2.41	53-43 pm	2.97
Denmark	12.37-12.41	12.38¾-12.39¾	3¼-5¼ore dis	−4.11	8-10 dis	−2.90
Ireland	1.0700-1.0770	1.0730-1.0740	par-0.10p dis	−0.56	0.14-0.24dis	−0.71
W. Ger.	3.96½-4.00	3.98-3.99	3½-2½pf pm	9.03	9¼-8¼ pm	8.78
Portugal	107.90-106.70	108.35-108.55	20-70c dis	−4.98	30-130 dis	−2.95
Spain	152.40-153.20	152.50-152.60	15-65c dis	−3.15	45-145 dis	−2.49
Italy	1,836-1,845	1,843-1,844	1¼-3¼ lire dis	−1.79	9½-11½ dis	−2.28
Norway	11.07-11.12	11.10½-11.11½	6-4ore pm	5.40	17¼-15¼ pm	5.85
France	9.30-9.36	9.32¼-9.33¼	4¼-3¼c pm	4.82	12-11 pm	4.93
Sweden	9.48½-9.52½	9.50½-9.51½	3½-1½ore pm	3.15	8½-6½ pm	3.15
Japan	557-563	560½-561½	4.15-3.90y pm	8.61	11.20-10.95pm	7.90
Austria	28.40-28.55	28.48-28.53	25-15gro pm	8.42	67-57 pm	8.70
Switz.	3.71-3.76½	3.74¼-3.75¼	4⅞-3⅞c pm	14.01	11½-10½ pm	11.74

Belgian rate is for convertible francs. Financial franc 66.75-66.85. Six-month forward dollar 1.95-1.85c pm. 12-month 3.10-3.00c pm.

THE DOLLAR SPOT AND FORWARD

Feb. 20	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.2710-2.2835	2.2790-2.2800	0.52-0.42c pm	2.47	1.25-1.15 pm	2.10
Ireland†	2.1170-2.1210	2.1170-2.1190	0.70-0.60c pm	3.68	1.70-1.60 pm	3.12
Canada	1.1537-1.1587	1.1572-1.1575	0.31-0.27c pm	3.01	0.52-0.47 pm	1.71
Nethlnd.	1.9218-1.9253	1.9220-1.9230	0.58-0.48c pm	3.31	1.78-1.68 pm	3.60
Belgium	28.34-28.40	28.36-28.38	2c pm-par	0.42	9-6 pm	1.06
Denmark	5.4355-5.4440	5.4355-5.4370	2.50-3.00ore dis	−6.07	6.50-7.00dis	−4.97
W. Ger.	1.7440-1.7500	1.7470-1.7480	0.98-0.88pf pm	6.39	2.96-2.86 pm	6.66
Portugal	47.55-47.65	47.55-47.65	10-20c dis	−3.78	30-60 dis	−3.78
Spain	66.90-67.33	66.90-66.96	20-35c dis	−4.93	65-85 dis	−4.48
Italy	808.45-809.30	808.70-808.90	2¾-3½ lire dis	−4.64	8¾-9½ dis	−4.51
Norway	4.8685-4.8760	4.8725-4.8735	1.60-1.10ore pm	3.32	4.95-4.45 pm	3.86
France	4.0900-4.0990	4.0905-4.0915	0.82-0.72c pm	2.26	2.60-2.50 pm	2.49
Sweden	4.1715-4.1765	4.1715-4.1730	0.65-0.45ore pm	1.58	1.40-1.20 pm	1.25
Japan	245.50-246.20	245.95-246.05	1.35-1.20y pm	6.22	3.65-3.50 pm	5.81
Austria	12.501-12.526	12.503-12.508	6.90-6.30gro pm	6.33	21.75-19.75pm	6.64
Switz.	1.6250-1.6440	1.6425-1.6435	1.70-1.60c pm	12.05	4.23-4.13 pm	10.18

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY RATES

Feb. 19	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.572947	0.628138
U.S. $	13	1.31520	1.42996
Canadian $	14	1.53010	1.65946
Austria Sch	5¼	16.4098	17.8602
Belgian F	10½	37.1676	40.5500
Danish K	13	7.14482	7.79255
D'Mark	6	2.28911	2.49642
Guilder	9½	2.52190	2.74938
French Fr	9½	5.35470	5.85853
Lira	15	1060.38	1156.12
Yen	7¼	320.448	350.911
Norwgn. Kr.	9	6.40965	6.97819
Spanish Pts.	8	87.8159	95.6927
Swedish Kr	10	5.47005	5.96935
Swiss Fr	2	2.14193	2.33798

CURRENCY MOVEMENTS

Feb. 20	Bank of England Index	Morgan Guaranty changes %
Sterling	72.5	−33.8
U.S. dollar	85.7	−7.8
Canadian dollar	81.9	−16.0
Austrian schilling	157.9	+24.5
Belgian franc	115.3	+13.5
Danish kroner	108.8	−2.8
Deutsche mark	158.0	+46.0
Swiss franc	199.7	+78.1
Guilder	126.3	+20.4
French franc	102.1	−5.7
Lira	55.3	−49.5
Yen	114.9	+13.9

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Feb. 20	£	$		£ Note Rates
Argentina Peso	3849-3869	1690-1700	Austria	28.40-28.65
Australia Dollar	2.0625-2.0665	0.9060-0.9065	Belgium	66.50-67.00
Brazil Cruzeiro	102.46-103.46	44.95-45.40	Denmark	12.34-12.41
Finland Markka	8.45-8.46	3.7155-3.7155	France	9.27-9.33
Greek Drachma	88.964-91.095*	38.20-38.40	Germany	3.97-3.99½
Hong Kong Dollar	11.211-11.229	4.9280-4.9320	Italy	1870-1925
Iran Rial	n/a	n/a	Japan	558-563
Kuwait Dinar (KD)	0.615-0.625	0.2731-0.2732	Netherlands	4.36½-4.39½
Luxembourg Frc.	64.65-64.75	28.36-28.38	Norway	11.05-11.12
Malaysia Dollar	4.9520-4.9620	2.1770-2.1790	Portugal	106-109½
New Zealand Dlr.	2.3510-2.3360	1.0235-1.0245	Spain	150-155¼
Saudi Arab. Riyal.	7.58-7.68	3.3590-3.3620	Sweden	9.49-9.54
Singapore Dollar	4.8950-4.9050	2.1520-2.1540	Switzerland	3.71-3.73
Sth. African Rand	1.8500-1.8520	0.8115-0.8125	United States	2.273-2.281
U.A.E. Dirham	8.44-8.54	3.7405-3.7455	Yugoslavia	50¼-52

Rate given for Argentina is free rate. * Indication only.

...RO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.05-15.15 per cent; three-months 15.10-15.20 per cent; six ...ths 15.05-15.15 per cent; one year 15.50-15.70 per cent.

Feb. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
...ort term	n/a	15⅝-15⅞	12½-13½	11-11¼	¼-½	7⅞-8	11¾-12	14-16	—	7-8¼
...days notice	n/a	15¾-16	12½-13½	11-11¼	⅜-⅝	8-8⅛	12-12¼	18-20	15⅞-16⅛	8½-9
...th	17¾-18⅛	15-15¼	13⅝-14	11⅞-12⅛	3⅛-3⅜	8⅛-8⅜	12⅞-13⅛	18½-19½	14⅞-14⅞	9-9⅛
...ee months	18¼-18⅝	15⅝-15⅞	14-14⅜	12-12¼	5⅛-5⅜	8⅞-8⅞	13-13¼	19½-20½	15¾-15⅞	9⅝-9⅞
...months	17¾-18⅛	15⅞-15⅞	14⅛-14½	12-12¼	5⅛-5⅜	9⅛-9⅛	13⅜-13⅝	20-21	16-16⅛	9½-9¾
...year	17⅛-17½	15⅜-15⅝	14⅛-14½	12-12¼	5⅝-5¾	9-9⅛	13½-13¾	21-22	15½-15⅝	9⅜-9⅝

Long-term Eurodollar two years 14¾-15⅛ per cent; three years 14⅝-15 per cent; four years 14¼-14⅝ per cent; five years 14¼-14½ per cent; nominal closing rates. ...t-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

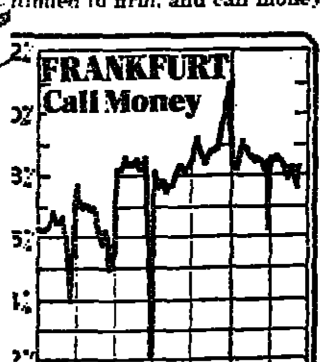
...CHANGE CROSS RATES

Feb. 20	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
...nd Sterling	1.	2.280	3.985	561.0	9.333	3.748	4.390	1844.	2.631	64.70
... Dollar	0.439	1.	1.748	246.1	4.094	1.644	1.926	808.7	1.154	28.38
...tschemark	0.251	0.572	1.	140.8	2.342	0.940	1.102	462.6	0.660	16.24
...anese Yen 1,000	1.783	4.063	7.103	1000.	16.64	6.680	7.825	3286.	4.689	115.3
...nch Franc 10	1.072	2.443	4.270	601.1	10.	4.016	4.704	1975.	2.819	69.33
...ss Franc	0.267	0.608	1.063	149.7	2.490	1.	1.171	491.9	0.702	17.26
...ch Guilder	0.228	0.519	0.908	127.8	2.126	0.854	1.	419.9	0.599	14.74
...an Lira, 1,000	0.545	1.237	2.163	304.5	5.062	2.033	2.381	1000.	1.427	35.10
...adian Dollar	0.380	0.867	1.515	213.3	3.548	1.425	1.669	700.8	1.	24.60
...ian Franc 100	1.546	3.523	6.159	867.1	14.42	5.792	6.785	2849.	4.066	100.

...TERNATIONAL MONEY MARKET

Very firm rates

...nterest rates remained firm in ...rope yesterday. The Bank of ...ance raised its money market ...ervention rate to 12⅜ per cent ...m 12 per cent, when it bought ...r 2bn of first category paper. ...iod - interest rates in Paris ...ntinued to firm, and call money



expected to rise sharply to ...und 12⅜ per cent today, ...ough it was unchanged at 11⅞ ... cent yesterday. The upward ...e in the interest rates ...tated by the central bank ...an Tuesday afternoon, when ...asury bill discount rates were ...eased. The rate on three-...th bills was also increased by ...r cent to 12⅜ per cent.

...n Frankfurt term rates were ...erally firm, while call money ... sharply to 8.25 per cent from ... per cent.

In Brussels the Belgian National Bank announced an increase in interest rates on Treasury certificates, following the upward trend in international rates.

In Tokyo commercial banks adjusted their short-term prime lending rates after the Bank of Japan raised its discount rate earlier this week. Prime rates have been increased by 1 per cent to 7.5 per cent.

In Berne the Swiss authorities reacted to the growing competition for funds among the world's major financial centres by lifting the ban on interest payments by commercial banks on foreign deposits.

...EY RATES

...W YORK	
... Rate	15¾
... Funds	13½-14½
...ury Bills (13-week)	13.25
...ury Bills (26-week)	13.18
...MANY	
...unt Rate	6
...ight Rate	8.25
...month	8.45
... months	8.925
...onths	8.95
...NCE	
...unt Rate	9.5
...ight Rate	11.75
...month	12.5625
... months	12.9375
...onths	12.8125
...N	
...nt Rate	7.25
... (Unconditional)	8.375
...Discount (three-month)	—

GOLD

Further fall

Gold continued to decline in the London bullion market yesterday, falling $21 to close at $625-630. The metal opened at $630-635, the highest level of the day, and was fixed at $625 in the morning, and $606 in the afternoon. Shortly before the New York opening gold fell to a low point of $600-605, but recovered somewhat in late trading.

In Paris the 12½ kilo gold bar was fixed at FFr 83,500 per kilo ($635.72 per ounce) in the afternoon, compared with FFr 83.500 ($633.44) in the morning, and FFr 86,000 ($652.96) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,150 per kilo ($625.54 per ounce), compared with DM 37,055 ($661.75) previously.

GOLD

	February 20		February 19	
Gold Bullion (fine ounce)				
Close	$625-630	(£274-276½)	$646-651	(£284-286½)
Opening	$630-635	(£276.75-279)	$660-665	(£288¾-291)
Morning fixing	$625	(£274.580)	$661.75	(£289.100)
Afternoon fixing	$606	(£265.789)	$652.26	(£287.083)
Gold Coins				
Krugerrand	$650-635	(£276-280)	$649-654	(£285½-288½)
Mapleleaf	$630-640	(£276-281)	$649-654	(£285½-288½)
New Sovereigns	$157-160	(£69-71)	$161-164	(£71-73)
King Sovs	$166-169	(£73-76)	$173-176	(£76-79)
Victoria Sovs	$167½-170½	(£73½-76½)	$174-177	(£76½-79½)
French 20s	$147-150		$153-156	
50 pesos Mexico	$750-760		$808-817	
100 Cor. Austria	$585-595		$637-657	
$20 Eagles	$745-755		$774-779	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day-to-day credit was in adequate supply overall in the London money market yesterday, and the authorities did not intervene. It was monthly make-up day for the banks and the discount houses found money freely available at 2 per cent to 8 per cent at the close. Opening rates were in the region of 15¼ per cent but then declined throughout the day.

Banks brought forward small run-down balances, but this was balanced by a moderate excess of Government disbursements over revenue payments to the Exchequer.

LONDON MONEY RATES

Feb. 20 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	16¾-17	—	—	—	17¼-17	2-15½	—	—	—
2 days notice	—	—	17½-17⅞	—	—	—	—	—	—	—
7 days or...	—	16⅞-17¼	17⅝-18	—	18	17½	16-16¼	—	—	—
7 days notice	—	17⅛-17⅝	17¾-17⅞	18¾-18½	18	17½-18	16⅝	15½	17⅞	18⅛
One month	17⅛-17⅜	17⅝-17¾	—	18¾-18½	18	—	16½	16⅛	17⅝	17⅞
Two months	17⅛-17⅜	17⅝-17¾	17⅞	18¼-17½	18	18-18⅛	16⅝	16⅛	17½	17⅝
Three months	17⅛-16⅞	17⅛-17¼	16⅝-17⅛	17⅛-16⅝	17½	17¾	—	—	16¼	16¾
Six months	16⅛-16	16¼-16⅛	—	17-16⅝	16¾	—	—	—	—	—
Nine months	15⅞-15⅞	15⅞-16¼	16½-16⅝	16¼-16	16⅝	—	—	—	—	—
One Year	—	—	16-16⅛	—	—	—	—	—	—	—
Two years										

Local authorities and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 15⅞-16 per cent; four years 15⅝-15⅞ per cent, five years 15½-15¾ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 16¹⁵⁄₁₆ per cent; four-month trade bills 17¾ per cent.

Approximate selling rates for one-month Treasury bills 15²¹⁄₃₂ per cent; two-months 15²¹⁄₃₂ per cent; three-months 16⁵⁄₃₂ per cent. Approximate selling rate for one-month bank bills 17⁹⁄₁₆ per cent; two-months 17⁷⁄₁₆ per cent; three-months 17⁵⁄₁₆ per cent; one-month trade bills 18 per cent; two-months 17¾ per cent and three-months 17½ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from February 1, 1980. Clearing Bank Deposit Rates for sums at seven days notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.1643 percent.

APPOINTMENTS

Sir Monty Finniston joins Drake & Scull

Sir Monty Finniston is joining the board of DRAKE AND SCULL HOLDINGS as non-executive joint deputy chairman. His only other directorships are as non-executive director of Guest Keen and Nettlefolds and Cluff Oil.

★

Mr. D. M. Saunders has been appointed chairman of EVERED AND CO. HOLDINGS in succession to Sir Timothy Harford, who will remain on the board as a non-executive director. Mr. Saunders is chairman of Francis Industries and Brooke Tool Engineering (Holdings). Mr. Peter Wardle, managing director of British Castors, has been appointed a director of Evered and Co. Holdings.

★

Mr. Joe Lemmens has been appointed deputy chairman of SENTRY INSURANCE GROUP (UK) and its subsidiaries. He succeeds Mr. John McComb who has returned to Sentry's parent company in his native U.S. as vice-president — administrative services.

★

Mr. K. N. Templeton has been appointed a main board director of FORWARD TRUST, the instalment finance member of Midland Bank Group.

★

Mr. P. Wycherley has been appointed general manager of DUNLOP'S INTERNATIONAL SPORTS COMPANY with operating responsibility for its subsidiaries Dunlop Sports, Litesome Sportswear, Carlton Sports and the Glasgow-based golf club makers John Letters.

★

Mr. Bernard Jaquet has succeeded Mr. Roger Jomini as general manager of BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE (SUISSE) of Geneva. Mr. Jomini has joined the board.

★

Mr. R. Mori, who has been managing director of HITACHI SALES (UK) since February 1975, has been appointed president of the Hitachi Sales Corporation of America. He is succeeded in the UK by Mr. Keiichi Sugiyama, who was general director of Hitachi Sales Europa GmbH in Germany for seven years and has spent the last three years at Hitachi head office as general manager of administration in the export division.

★

Mr. S. W. Heesom, deputy secretary, is to retire on March 31, after nearly 27 years with the CORPORATION OF TRINITY HOUSE. He will be succeded by Mr. A. W. Snook, at present chief accountant.

★

Mr. John G. H. Hirsch, has been appointed a non-executive director of the APPLEYARD GROUP OF COMPANIES. For the last two years he has been a member of the BL Cars Board, as director of product and marketing strategy.

★

Mr. Emile Achee has been elected vice president of international operations for ROCKWELL INTERNATIONAL CORORATION'S electronic systems group. He will be responsible for the management and business activities of Rockwell International's five foreign electronics subsidiaries: Rockwell-Collins GmbH, based in the Federal Republic of Germany; Rockwell-Collins Italiana, S.p.A., Rockwell-Collins France, S.A.; Rockwell-Collins (UK), and Rockwell-Collins Australasia, PTY. Mr. Achee continues as managing director of Rockwell-Collins GmbH.

★

LOWNDES-AJAX COMPUTER SERVICE has made three associate directors. Mr. Ralph Brooks has been promoted to associate director of the business products group. Mr. Tony Hart has been appointed associate director of Computer Centre Services, the department he has managed since 1978. Mr. Colin Jones who joined Lowndes-Ajax in January 1977 as company accountant, has also been made an associate director.

★

Mr. Ian Watson has been appointed an assistant director of P. S. MOSSE INSURANCE BROKERS from March 1.

★

Mr. Ralph Cooper has been appointed chief executive Great Britain for the COCA-COLA EXPORT CORPORATION, London. The appointment is in addition to Mr. Cooper's current responsibilities as director of marketing for the Northern European division.

★

Hartford Insurance Group proposes the following senior appointments in the U.K. life insurance operations. The changes are to be effective from April 1, subject to clearance with the Department of Trade.

ABBEY LIFE's current chairman and managing director, Mr. R. Fred Richardson, has been elected senior vice president of Hartford Insurance Group and group director of life operations. He assumes responsibility for all life insurance operations worldwide. Mr. Michael L. Hepher, currently deputy managing director of Abbey Life, has been appointed chairman and managing director of Abbey Life and group general manager, European life operations. He assumes the chief executive role at Abbey, and in addition has responsibility for the European life and health operations of Zwolsche Life in Holland and Transatlantische Life in Germany. Prior to joining Abbey Life in 1979 as deputy managing director, he had been president and chief executive of Maritime Life Assurance Company in Halifax, Canada.

★

Mr. W. P. Bradshaw, chief operations manager, has been appointed director of strategic development at BRITISH RAILWAYS BOARD H.Q., in succession to Mr. Geoffrey Myers who has been made Board member for marketing. Mr. M. J. Southgate, who has been deputy general manager of the Southern Region since 1977 is appointed chief operations manager.

★

Mr. K. Eric Gisleson has been named vice-president-special counsel of INGRAM CORPORATION, New Orleans. He will be responsible for the co-ordination of all governmental regulatory matters pertaining to Ingram Corporation and its subsidiary companies.

★

Mr. Keith Macdonald, formerly managing director, IPC Industrial Press, has been appointed managing director of IPC ELECTRICAL-ELECTRONIC PRESS. Mr. Tony Smith, formerly a publishing director in Industrial Press, has succeeded him as managing director, Industrial Press.

★

Mr. Keith Tondeur has been appointed a partner of QUILTER HILTON GOODISON AND CO., members of the Stock Exchange, from February 25.

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.300	—	—	5	10	—	—	F.290.50
ABN C	F.320	—	—	1	3	—	—	"
AKZ C	F.25	30	1.60	47	2	—	—	F.25.40
AKZ C	F.27.50	131	0.70	—	—	65	1.50	"
AKZ C	F.30	1	0.20	—	—	—	—	"
AKZ P	F.27.50	—	—	2	2.90	—	—	"
ARB C	F.60	5	2.50	5	3.20	—	—	F.61.30
ARB C	F.65	11	0.60	—	—	—	—	"
CSF C	F.560	—	—	—	—	2	48	F.545
EK C	$60	10	¼	—	—	—	—	$48⅞
HEI C	F.65	—	—	—	—	10	9	F.67
HEI C	F.70	5	2	—	—	—	—	"
HEI C	F.75	5	1	—	—	—	—	"
HEI P	F.70	—	—	5	4.80	—	—	"
IBM C	$75	—	—	—	—	26	5	$67½
KLM C	F.60	20	9.50	—	—	—	—	F.69.70
KLM C	F.70	68	4	—	—	—	—	"
KLM C	F.80	123	1.30	13	3	—	—	"
KLM P	F.60	10	1.40	28	2.30	1	3.80	"
KLM P	F.70	50	4.40	—	—	—	—	"
KLM P	F.80	2	10.20	24	11	—	—	"
PET C	Fr.6000	—	—	3	490	—	—	Fr.6090
PHI C	F.20	5	0.90	55	1.40	17	1.90	F.19.90
PHI C	F.22.50	—	—	28	0.50	10	0.80	"
PHI P	F.20	—	—	—	—	10	1.10	"
PRD C	$25	12	1⅜	—	—	—	—	$25⅜
PU C	F.300	2	14	2	23	—	—	F.282.50
RD C	F.145	10	25.50	—	—	—	—	F.166.70
RD C	F.150	5	18.20	53	19	10	21	"
RD C	F.160	151	12.20	324	12.20	—	—	"
RD C	F.170	502	6.50	424	7.80	16	9.10	"
RD P	F.145	10	0.40	—	—	—	—	"
RD P	F.150	5	0.90	10	3	—	—	"
RD P	F.160	125	3	54	6	—	—	"
RD P	F.170	70	7.10	50	11.30	—	—	"
UNI C	F.110	—	—	20	12.20	—	—	F.119
UNI C	F.125	2	1.30	—	—	—	—	"
UNI P	F.110	—	—	20	1.50	—	—	"
UNI P	F.120	—	—	—	—	—	6	"
XON C	$55	4	8⅞	—	—	3	—	$63½
XON C	$60	15	5⅛	—	—	—	—	"
XON C	$70	21	1⅜	—	—	—	—	"
		May		Aug.		Nov.		
BA C	$50	10	14	—	—	—	—	$62⅞
BA C	$60	4	7⅞	10	9½	—	—	"
OXY C	$30	10	3¼	—	—	—	—	$29⅝
SLB C	$100	—	—	4	21	—	—	$115¾
SLB C	$110	—	—	1	15¼	—	—	"

TOTAL VOLUME IN CONTRACTS 2790

C=Call P=Put

BUSINESS BOOKS

An alternative view of energy supply

BY RAY DAFTER

International Oil Policy, by Arnold Safer. Gower Publishing, Farnborough, Hants., £9.50.

Natural Gas, by Dr. E. N. Tiratsoo. Scientific Press, 4 Burkes Parade, Beaconsfield, Bucks., £21.

Fuel Economy Handbook, edited by W. Short. Graham and Trotman, London, £12.50.

BY RIGHTS all the discussion about the world's energy problems should have exposed a basic fallacy, of vital importance to the whole argument. Instead the falsehood has been nurtured.

There is still a widespread belief that the world will soon run out of oil.

True, there are uncertainties about supplies, but these doubts arise as much from political factors as geological ones. And it is a fact that if the growth in energy demand had continued on its pre-1973 course, the oil industry would soon have found it impossible to find and produce new reserves fast enough.

But events in the past seven years have changed that. The world's economic outlook has been shunted on to a new course. The projected growth in oil demand will be far, far lower than was foreseen a decade ago.

Carrot

The importance of higher energy prices, in this respect, cannot be overstressed. Fuel users have been encouraged to be more conservation-minded. Energy providers have greater incentive to develop alternative sources of power. And oil companies now have the necessary financial carrot to exploit hitherto unecenomic fields and to employ new technology to extract a higher proportion of the oil that is available in reservoirs. In essence, the world's recoverable oil resources are being stretched. There should be enough to last for decades, quite probably for well over a century.

Taking up this argument, Arnold Safer has attacked what he regards as the "scarcity psychology" in his book, "International Oil Policy."

Mr. Safer, a U.S. consulting economist, maintains that "thinking scarcity, breeds scarcity." The psychology could be recognised in the UK where British policymakers were talking about "husbanding their resources" — stretching out North Sea oil production so that the British resource became more valuable as world supplies became less plentiful in the mid- to late-1980s.

In the U.S. the perception of scarcity had led to continued price controls and to such "contorted" schemes as the proposed crude oil equalisation tax. The Washington perspective on energy had focused increasingly on the proposition that the U.S. would soon run out of oil. And yet the potential for much more domestic oil was there: what was needed was an energy policy that encouraged the search for, and development of, new reserves.

The book contains a number of reasoned recommendations including: the encouragement of exploration in developing nations outside of the Organisation of Petroleum Exporting Countries; the establishment of an "open, visible pricing system" for oil products; the removal of price controls in U.S. markets; the introduction of subsidies for purchasers of oil imports; and the setting and control of import quotas.

"The energy crisis today demands no less attention than the challenges of World War II and of the Soviet Sputnik crisis. Let's get on with the job," says Mr. Safer.

One of the disturbing aspects of world energy supplies is the effort by some OPEC members to link the price if internationally-traded natural gas with that of crude oil. The UK Government seems to have similar aims, judging by its move to bring domestic gas prices more in line with the cost of oil.

There is a dilemma here for policymakers. Linking gas and oil costs could well strengthen the price-fixing powers of OPEC. And yet, natural gas is a clean, high grade fuel which deserves a premium price-tag.

Dr. E. N. Tiratsoo, in his excellent survey of world gas resources—"Natural Gas" sums up some of the advantages of this "extraordinary fossil mineral." Natural gas, he says, is "non-polluting, flexible and a powerful source of energy with special qualities which make it preferable to solid and liquid fuels in many applications."

Thus it says much of past energy policies that until recently natural gas which was produced as a co-product with crude oil was largely flared into the atmosphere: wasted for lack of markets. Fortunately, it has become increasingly recognised that such "profligate wastage" is no longer tolerable.

The amount of gas sold on the open energy market tripled in the 15 years up to 1977. In the coming years the international trade in gas—both pipeline gas and liquefied natural gas (LNG) —will grow appreciably. Dr. Tiratsoo's book, a companion to his equally useful "Oilfields of the World," provides the essential data on an important, but often overlooked sector of the energy industry.

But it still remains a truism that conservation is the most attractive of all energy "sources." Conservation is benign, non-polluting, cost effective and a real energy provider—for a gallon of oil saved is a gallon that can be used another day.

With this in mind National Industrial Fuel Efficiency Service has updated its "Fuel Economy Handbook." The 317-page book provides industrial and commercial organisations with extremely useful—if at times necessarily technical—advice on how to become more energy efficient. Surveys, tests and investigations by NIFES have demonstrated that it is possible to save on average 25-30 per cent of energy costs. A world-wide conservation campaign could stretch depletion existing known conventional fuel reserves for another 15 to 20 years.

There is no point in minimising the problems of energy planning in the present uncertain climate. On the other hand—as this small selection of recently published books shows—there is no reason why we should adopt an overly pessimistic view of future energy supplies.

Cutting back waste, such as flared natural gas (right), and improving production techniques, including those in oil fields (left), can help to spin out the world's fossil fuel resources.

Banking in practice

BY MICHAEL LAFFERTY

Banking Act 1979 by Morison, Tillett and Welch. Butterworth's, £18.

THERE is a great thirst for information among bankers in the UK about the manner in which various aspects of the 1979 Banking Act are to be implemented by the Bank of England. For many the main source of information — apart from articles in the Press — has no doubt been the Act itself, though some may have ventured as far as Hansard for a better understanding of what lies behind some of the more complex provisions.

What has been lacking up to now is a comprehensive text which puts the legislation into more readable prose, sketches in the historic background, and provides further guidance about the way the law is likely to work in practice. This is the gap which Morison, Tillett and Welch's new book fills rather well.

The three authors are prominent members of the Inter-Bank Research Organisation, a clearing bank-owned research body. As such, their book carries an additional air of authority. Equally, it cannot be expected to be as forthright in discussing the more controversial features of the new law and supervision arrangements as independent authors might be.

One of the most interesting aspects of the book is its discussion of the position before the Act, when the UK lacked a comprehensive banking law. As the authors say, its provisions on such matters as the basic control of deposit-taking institutions and restrictions on the use of banking names and descriptions, seek to introduce an element of order into what has been a world of administrative chaos. This chaos is suitably illustrated by lists of the various statutes applying to banking, and a discussion of the old hierarchy of banking recognitions.

An understanding of this hierarchy of banking recognition is essential, the authors state, if one is to appreciate both how the need for the Act arose in the first place and why its authorisation procedures arose.

The ladder ran something like this: for "an up-and-coming" banking institution, a section 123 certificate from the Department of Trade was probably enough. A company wanting to deal in securities would go one better and seek exempt dealer status under Section 16 of the Prevention of Fraud Investments Act 1958.

Third rung

The third rung, though non-statutory, was widely regarded *as one of the most important of* all: this was listing by the Bank of England for statistical and monetary control purposes.

Any institution thus designated contributes to the provision of banking statistics and is obliged to comply with the monetary and credit controls applied by the Bank. The status, which still exists pending full implementation of the new Act, carries the benefit that a statistical bank is generally able to raise deposits in larger amounts and at lower cost than other institutions. The authors of this book speculate that all recognised banks will contribute to the statistics under the new regime.

After statistical status, there were four other major statutory recognitions to which a banking institution could aspire. Two of these, say the authors calmly, were of roughly equal status—recognition under Section 127 of the Companies Act, and appointment as an authorised dealer under Section 42 of the Exchange Control Act, 1947. This latter is at least arguable, since most bankers seem to believe that "authorised" status was unquestionably the higher of the two.

Certain clearing bank finance house subsidiaries have, of course, taken the trouble to acquire Section 127 status, and are now using this as part of their claim for recognised bank status under the 1979 Banking Act.

The third statutory status to which statistical banks aspired was under Section 59 of the Building Societies Act 1962, which meant that they were authorised to hold the substantial liquid funds of building societies.

Finally, at the top of the hierarchy of banking recognitions, was a listing under Schedule 8 of the 1948 Companies Act. Put simply, a Schedule 8 bank is allowed to do all sorts of extraordinary things in its published accounts so that to the outsider they are of litle value. In particular, it is "entitled to make transfers to and from hidden reserves before disclosing its annual profits and to include those hidden reserves with its deposits instead of showing them as part of the shareholders' funds." As the authors point out, the Department of Trade has not added any new names to this particular list since the late sixties, while in 1970 the London and Scottish clearing banks proclaimed that they were opting for "full disclosure" in their accounts. The most important institutions which still make use of the exemption are, of course, the accepting houses and the discount houses.

But this is not the end of the overall UK banking status ladder. A merchant bank aspires to membership of the Accepting Houses Committee, a retail bank to membership of the Committee of London Clearing Bankers, and a bill discounting house to membership of the London *Discount Market Association.*

Despite their banking establishment background, the authors do not fail to highlight the significance of the 1973/74 secondary banking crisis in bringing about the 1979 Act. At the time of the crisis it points out that existing supervisory arrangements, developed as an adjunct of the Bank's bill discounting office, were unsatisfactory: "It became apparent that this department lacked a sufficiently large number of staff capable of undertaking effective supervision of a rapidly expanding banking community whose members were engaged in an increasingly complex and sophisticated range of banking activities.".

Other interesting features include chapters on the control of deposit-taking, recognition and licensing, including the new supervsion arrangements, the deposit protection scheme and, of course, advertisements and banking names. Each chapter concludes with a checklist of questions, to test the reader's knowledge of what has gone before.

Altogether, this book looks like becoming the standard text book on the 1979 Act. It is to be hoped that in the next edition the authors will feel able to elaborate a bit more on issues like capital adequacy and liquidity—as well as how the new system of banking supervision works in practice.

A form of training

TA and Training—The theory and use of transactional analysis in organisations by Dave Barker. Gower Press, £9.50

TRANSACTIONAL ANALYSIS aims to provide a means by which the personality forming influences on people are better understood, enabling improved communication and understanding to be achieved among people in general. It is, though, like a world of its own, with its own language, so before you can even begin to use it within an organisation the people involved must first learn the language, which must make for some resistance at times. Nevertheless, the author says it has been successfully used in companies and he sets out to demonstrate how such analysis can be applied to training and development.

هكذا من الأصل

BUSINESS BOOKS

An uncertain role for international unions

BY GEOFFREY OWEN

Multinational collective bargaining attempts, by Herbert R. Northrup and Richard L. Rowan. The Wharton School, University of Pennsylvania, Philadelphia, PA 19104, USA. $27.50.

IN September, 1973, the French group, BSN-Gervais Danone, held a meeting in Geneva with union leaders from its glass-making plants in Belgium, Netherlands, Germany, Austria and France. The company's position in the glass industry and its investment programme were discussed. Two further meetings in 1974 and 1975 led to the creation of a Permanent Employment Commission consisting of management and union representatives from each of the glass subsidiaries. Although the initiative for the first meeting came from Charles Levinson, general secretary of the International Federation of Chemical, Energy and General Workers' Unions (ICEF), the creation of the Commission was agreed between the company and the individual national unions; apart from the first meeting, ICEF officials have not been directly involved.

Important

The main purpose of the Commission is to examine technical, social and economic issues relevant to employment. While its existence is not intended to diminish the importance of national negotiations, it represents one of the very few moves by a large group in the direction of multinational collective bargaining. What will happen to the Commission after the recent sale of most of BSN's flat glass interests to Pilkingtons remains to be seen.

Professors Northrup and Rowan suggest that the BSN model, involving a coalition of national union leaders in a non-decision-making forum, may be a more promising path for multinational consultation, and even bargaining, than efforts led by international or regional union officials.

In their view the claims made by international trade union secretariats such as ICEF and IMF (the International Metalworkers Federation) are often unsubstantiated by evidence of what their intervention achieved.

For example, in the case of Akzo, the Dutch group whose planned closures of fibre plants in 1975-77 ran into vehement union opposition, the decisive role was played by national unions. Attempts by ICEF to insert itself into the negotiations and to gain a bargaining role for multinational unionism were unsuccessful.

Similarly the IMF, which the authors say is the strongest secretariat in financial support, leadership and staff, has had little success in the few times it has attempted to inject itself into collective bargaining.

In one major industry, ocean transport, an international secretariat, the International Transport Workers' Federation (ITF), has had a significant impact, at times even usurping the role of national unions. In its long campaign against flags and crews of convenience, the ITF claims to have signed agreement with more than a thousand shipowners. Since these companies are normally single-nationality carriers the ITF is not engaged in multinational bargaining, but its success shows that in the right circumstances and with the right organisation an international union secretariat can have influence.

In most industries national union leaders are reluctant to transfer any of their authority to an international body. While the international secretariats are useful for exchanging information, their presence at the bargaining table is not welcomed. Union leaders wish to be free to promote the interests of their own members. As for the employees, they are unlikely to take sympathetic action to support union colleagues overseas if it imposes significant costs on themselves. While there are exceptions, like the "blacking" of the Times' weekly edition in Germany last year, international solidarity is generally more slogan than reality.

Other obstacles to multinational bargaining are the differences in national industrial relations laws and the opposition of management; most companies see multinational bargaining as adding a new tier of potential difficulty in their industrial relations, with no compensating advantage.

Yet there are pressures working in the opposite direction. At national and international level there are opportunities for officials of international and regional trade union organisations to exert their influence. The agencies of the European Commission, for instance, frequently seek tripartite solutions to industrial problems; their bureaucrats have a natural affinity with the regional union officials stationed in Brussels.

Participated

These same officials have participated in the revision of the OECD code of conduct for multinational enterprises. In Germany officials of the international secretariats, Levinson of ICEF and Herman Rebhan and Walter Thonessen of the IMF, have been elected to the boards of three major foreign-owned companies — subsidiaries of Ford, ITT and Du Pont. Besides conferring prestige on the individuals concerned, these appointments will add to the pressure for multinational bargaining.

Multinational bargaining, as the authors rightly stress, is far from being a dead issue. Management needs to be aware of the strengths and weaknesses of the international trade union secretariats, and to take note of the experience of companies which, whether deliberately or by accident, have found themselves dealing with unions on an international basis. This book, based on seven years of research, is an invaluable reference work as well as providing a clear analysis of the issues.

Lifting the City's veil

BY CHRISTINE MOIR

Inside the City, by William M. Clarke, George Allen and Unwin, £8.50

AFTER two and a half years Sir Harold Wilson and his committee which is investigating the City's financial institutions is still struggling to produce its report.

So great is the pace of change in the City these days that senior City men who started out in fear and trepidation of what the report would recommend have now begun to discount it.

"Sir Harold has enjoyed his brandies and cigars at City luncheons," the phrase goes, "now he should bow out. The report is not worth writing."

One problem is that many things have changed since Sir Harold first began collecting evidence. Exchange controls, for instance, have been abolished, opening up a brand new world of unfettered internationalism. British industry is facing another recession, so the clamour for funds much heard in the early days of the Wilson committee, has dwindled to a murmur.

The bigger problem, however, is that an unwieldy committee like Sir Harold's with a politically inspired composition, is not the sort of animal which can pin down the City's elusive, chameleon-like qualities.

That is not the same as saying that the nature of the City cannot be pinned down. It has been.

William Clarke, former City editor of The Times, director-general of the Committee on Invisible Exports, and deputy chairman of the City Communications Centre, has managed a remarkable tour de force in his new book "Inside the City."

It is at once a clear and simple guide to the disparate elements — from jobbing to Eurobond dealing — which are lumped together under the name of City services, and a subtle and wise collection of essays on the pressures for change on those elements.

Its glossary of City jargon alone makes it bookshelf material; City affairs now impinge so much on ordinary lives that a rough idea of what factoring or portfolio investment is about is something even moderately informed newspaper readers need to have.

But most significant, Mr. Clarke has virtually pre-empted Sir Harold. He knows and understands the workings of the City in all its finer detail, and he is in a position to expose problem areas in a way which can stimulate genuine discussion and lead on to real reform. Unlike Sir Harold he is not under pressure to adopt any kind of a priori approach nor any artificial solution.

One of the major concerns of the Wilson committee, for instance, has been the growth of power of the pension funds as they seek to invest their enormous inflows. The TUC representatives on the committee are almost certain to demand Government direction for their investments

Mr. Clarke cuts through the political opportunism and points out that there is no need for such a move on grounds of prudence. Rather he is worried that any such direction could bring distortions to the pattern of savings for no particular benefit.

Throughout the chapters on Eurobond dealing, the pressures on the jobbing system, the desirability of maintaining the exclusive Discount House club, Mr. Clarke employs a degree of clear sightedness which leaves me envious.

He is simply against abolishing established mechanisms which have proved to be effective unless there is good ground for change. "Tinkering with a problem without searching out the fundamentals" wins his clear disapproval.

Mr. Clarke makes no attempt to hide his predisposition towards the mechanisms of the City, particularly self-regulation (for which he makes out the strongest case) but this does not blind him to weaknesses and storm clouds which will need attention and dispersal.

Nor is his view of the wider future too sanguine. He believes that the international market in "invisibles"—tourism, insurance, financial services and so on—could well be stagnant through the coming decade by contrast to its strong growth during the 1960s and early 1970s. And he is "still not sure" whether London can maintain its share of the market.

But even Mr. Clarke has been overtaken by events. His views were formed before exchange controls were abolished—a move he emphasised as desirable. Given the new impetus of free international competitiveness London may now have a new edge. And the one thing Mr. Clarke's careful analysis makes clear is that London has the flexibility and innovativeness to be capable of maintaining its world lead as a wholesale financial centre.

The book is not just informed, it is also easy reading, which could prove a wry contrast to the Wilson report whenever that surfaces.

A genuine intellectual debate

BY PETER RIDDELL

Economic Modelling, edited by Paul Ormerod. Heinemann Educational, £21

THE big differences in the views of economists about how the economy works (or rather does not work) frequently infuriate those who like to think of themselves as practical men. Yet these differences reflect a genuine intellectual debate and not just the perversity of economists, though that is not always entirely absent. Indeed one of the main virtues of this book is how it highlights this diversity of thinking.

It consists of a series of papers on the construction of macro-economic models and is based on discussions at a conference of model-builders held 18 months ago at the London Business School. While this is inevitably a somewhat technical subject, most of the papers are intelligible to the non-specialist. Examination of the technical aspects of a model often involves discussion about the key theoretical assumptions of economics and raises issues relevant to the publicly controversial areas of forecasting and policy analysis.

The editor — Paul Ormerod of the National Institute of Economic and Social Research — notes in his preface, for example, the increased recent attention on the monetary sector. He points out that none of the modelling groups represented denied the theoretical linkage between monetary policy, the exchange rate and the real level of output but "the exact nature and the strength of this link is very much in dispute." The issues incidentally, are set out extremely clearly in the paper on monetary flows by Charles Goodhart of the Bank of England.

In a personal review of the conference Alan Budd of the London Business School concludes that "as far as the structure of economic models is concerned, the conference showed how completely the post-war consensus has broken down. . . . Questions of whether or not money affects demand and prices, of whether and for how long fiscal policy affects demand and of whether or not devaluation works, are vital for economic policy, and it is alarming that the issues seem to be so open. Certainly there was no winner in terms of empirical results or of a priori reasoning."

Alan Budd suggests that "the circus atmosphere in which so much policy analysis takes place in Britain has not been in the best interests of progress in economic model building." On this view too much time is spent on giving policy advice and not enough on analysing the economy. "It is easy to understand why it happens. Until recently, economic policy in the UK combined secrecy with what appeared to be an extreme view of the nature of macro-economics."

This led, in Budd's view, to deliberate over-simplification and a strident tone being used to counter what was believed to be the mistaken over-simplification of the official view. "A combination of limited resources and the desire to influence policy have encouraged short cuts in model building."

Yet there have also been gains from the breakdown of consensus among the forecasters. In an aside, written well before his colleague Professor Terry Burns was chosen as chief economic adviser, Alan Budd notes that the Treasury has "admittedly changed its views quite distinctly and can now be thought of as the home of eclecticism."

Indeed, to outside users of the forecasts produced by these models the absence of uniformity is a positive advantage since it permits proper comparison of the work of monetarists, Keynesians and advocates of protectionism. This is far better than to try and paper over the differences.

Other recent publications

The International Yearbook of Organisation Studies, edited by David Dunkerley and Graeme Salaman, Routledge and Kegan Paul, price £12.50. The first in what is designed to be a series, bringing together contemporary developments in the field of organisation studies.

Britain in the Age of Economic Management — An Economic History since 1939, by J. F. Wright, Oxford University Press, £5.95 hardback and £2.95 paperback. In this book, the author has set out for the general reader the major elements of economic growth and change in the UK in the past 40 years and has set them against an international context.

The Manager and Industrial Relations, by Trevor Owen, Pergamon Press, Oxford, £13 and £5.25 flexi cover).

The author, when writing this book, was a senior personnel executive at ICI (he is now managing director of Remploy) and he has set out to describe what actually happens in the industrial environment. He does not aim to provide new theories, but instead deals with the detail and background of legislation and negotiation and related issues such as communication, consultation and industrial democracy.

WORLD STOCK MARKETS

Early Wall St. technical rally

AFTER THE recent sharp setback on inflation and interest rate worries, Wall Street showed a firming tendency on mainly, technical influences in active early dealings yesterday.

The Dow Jones Industrial Average rallied 4.61 to 880.63 at 1 pm, while the NYSE All Common Index picked up 40 cents to $66.02 and advances led declines by a seven-to-six ratio. Turnover expanded to 30.05m shares from Tuesday's 1 pm level of 25.04m.

The Commerce Department revised an earlier report on growth of the economy in the fourth quarter showing GNP increased 2.1 per cent, not 1.4 per cent as previously reported.

Analysts said the market paid little attention to news of an apparent snag in talks to convene a commission to investigate Iranian grievances against the deposed Shah.

Some of the Oils were buoyed by an announcement by Mobil that it has found zones of interest in two wells near its Hibernia oil discovery, off Newfoundland, late last year.

Volume leader Mobil rose 2⅞ to $69⅞. Its partners in the original Hibernia discovery also advanced. Columbia Gas climbed $3 to $46½, Gulf Oil 1½ to $47⅞, Gulf Canada 6⅞ to $136½ on the American Exchange and California Standard 3½ to $72⅞.

Active American Telephone slipped ¼ to $50½ on holding its quarterly dividend unchanged at $1.25 a share. In the prior four years, the dividend was raised at the February board meeting.

Colgate-Palmolive shed ⅛ to $12⅞. The company reported a fourth-quarter loss after a $55.5m write-off of discontinued operations.

Holiday Inns arranged financing for a planned Atlantic City casino and put on ⅛ to $18⅞.

THE AMERICAN SE Market Value Index advanced 4.13 to 290.15 at 1 pm, being heavily-weighted with buoyant Canadian Oil issues. Volume 4.25m (3.81m).

Imperial Oil "A" rose 1⅞ to $42⅞, Bow Valley 1⅞ to $49½ and Acquitaine of Canada, which reported improved 1979 profits, 2⅞ to $46. The Canadian Oils are benefiting from strong earnings reports and dividend action, speculation about further oil and gas discoveries and the election of a majority Government in Canada.

Canada

Markets were inclined to gain further ground yesterday morning in active trading, with Oils particularly firm. The Toronto Composite Index added 10.8 at 2,104.2 at noon, while the Oil and Gas index advanced 93.9 more to 4,690.5, but Golds receded 47.1 to 3,177.0 and Metals and Minerals 20.8 to 2,219.5. In Montreal, Utilities rose 2.73 to 267.59, but Banks shed 1.13 to 323.65.

Tokyo

Buying concentrated in energy related shares, large-capital issues and some speculative stocks left the market firmer-inclined yesterday after fairly active dealings.

The Nikkei-Dow Jones Average rallied 42.92 to 6,806.01 an dthe Tokyo SE index 1.40 to 471.04. Rises on the First Market section exceeded declines by 345 to 286, while volume amounted to 450m shares (410m).

Coals and Oils rose sharply on fresh buying, mainly by institutional investors, with Mitsui Mining adding Y59 at Y628, Sumitomo Coal Y8 at Y291, Arabian Oil Y80 at Y2,960, Nippon Oil Y20 at Y1,990 and Teikoku Oil Y13 at Y835. Trading Houses mainly advanced, Mitsubishi rising Y19 to Y719.

Furukawa Mining rose Y12 to Y238 on good earnings prospects, while Steels improved in active trading,

Hong Kong

The market made a belated start to the week yesterday in easier mood following the closure for the Chinese New Year holiday. Sentiment was dampened by the rise in U.S. Prime rates back to a record level, widening the interest rate differential between the U.S. and Hong Kong.

Shares declined mainly on profit-taking in much quieter trading as operators squared out bought positions taken last Thursday and Friday ahead of the holiday. The Hang Seng index, which was at its highest closing level for almost seven years last Friday, receded 13.28 to 949.89.

Dealers said Banks lost ground as the market began to reassess possible over-optimistic expectations for scrip and bonus elements in forthcoming annual results. Hong Kong Bank declined 40 cents to HK$ 23.60 and Hang Seng Bank HK$ 2 to HK$137.

Australia

After the recent setback, Resources stocks were inclined to rally initially on bargain hunting, but renewed selling late in the day left prices lower for choice on balance. Industrials again closed on a mixed note. The Sydney All Ordinaries index closed a net 6.34 easier at 898.83 and the Metals and Minerals index 95.62 down at 6,033.75.

A market feeling that many of the base metal stocks have been over-sold made it possible for them to post some gains in the early trading despite the lower gold market and the easier trend in base metals on the London Metals Exchange overnight.

Western Mining gained 10 cents to A$4.90 and Mount Lyell 15 cents to A$2.75, but MIM finished 26 cents weaker at A$5.50, while Bougainville Copper lost 10 cents at A$4.20. Also 10 cents lower were GMK, A$4.60, and Emperor, A$2.25.

The Premier of Western Australia, Sir Charles Court, who is facing an election on Saturday, announced that the Ashton diamond joint venture would be setting up a pilot treatment plant on the Argyle prospect later this year. The major Ashton partner, CRA, improved afresh to A$6.66, but subsequently fell to A$6.42, off 18 cents on the day. Ashton Mining ended 2 cents up at A$3.20 after touching A$3.25.

Germany

Further weakness in the Bond market and the fresh overnight Wall Street setback upset sentiment after Tuesday's bright showing.

Commerzbank shed DM 1.50 and Deutsche Bank DM 1.90, while Brown Boveri, in Electricals, lost DM 4, and Horten, in Stores, DM 2.30. However, Motors hardened, Daimler adding DM 1.60 and BMW DM 1. Schering, in Chemicals, put on DM 3.

Mannesmann edged up 40 pfennigs after a subsidiary reported that it had been awarded a contract for 700,000 tons of pipe for the Soviet Union. Market observers thought the deal could be worth around DM 1bn.

Johannesburg

Gold shares closed sharply lower after active trading on the Bullion price decline. President Brand lost 200 cents to R38.00, President Steyn 150 cents to R33.00 and Vaal Reefs 100 cents to R64.00.

Mining Financials generally shadowed gold producers. Gold Fields shed 50 cents to R80.50 and Anglos 50 cents to R13.40, but Anglovaal gained 75 cents to R42.00. De Beers receded 60 cents to R11.00.

Paris

Stocks were mixed with an easier bias after light trading.

Market sources said the further overnight weakness on Wall Street was partly responsible for the lacklustre performance, as was the fact that operators were settling their monthly trading accounts. Market reaction to the firm tone of a speech on Tuesday by Prime Minister Raymond Barre was mixed, they added.

Portfolios, Foods and Chemicals were generally favoured, but Motors, Stores Metals and Oils were mostly lower.

Closing prices for North America were not available for this edition.

NEW YORK

Stock	Feb. 19	Feb. 15
City Investg	17⅛	17⅝
Clark Equipment	34¼	34½
Cleve Cliffs Iron	36	36½
Clorox	9¾	10
Cluett Peaby	9	9
Coca Cola	33¼	33¾
Coca Btl. NY	5¾	6
Colgate Palm	13	13⅛
Collins Aikman	7¾	7⅞
Colt Inds	50	51
Gerber Prod	24¼	24¼
Getty Oil	87⅝	90
Giddings Lewis	31	31⅜
Gillette	23¼	23¼
Global Marine	50¾	50½
Goodrich (BF)	20⅛	20⅛
Goodyear Tire	12⅝	12¾
Gould	22½	22¾
Grace	40¾	41½
Grainger (WW)	36	36¾
McLean Truckg	11	11⅛
Mead	25¼	26¼
Media Genl	26	26½
Mellon Natl	28	28⅜
Melville	27½	28¼
Memorex	17	17¼
Mercantile Strs	37½	37½
Merck	65⅛	65¾
Meredith	38½	40
Merrill Lynch	24	24⅝
Safeway Stores	32	32¼
St. Joe Minls	47	48⅜
St. Louis-San F	64⅛	66
St. Paul Cos.	35⅛	35⅛
St. Regis Paper	32	32⅞
Santa Fe Inds	64¼	63⅞
Santa Fe Intl	40⅞	41¾
Saul Invest	7⅞	7⅞
Saxon Inds	6⅝	6⅝
Schering Plo	35⅝	35¼
Winnebago	3¼	3¼
Wisc Elec Power	19⅜	20⅛
Woolworth	23¾	24⅛
Wrigley	74¾	77⅛
Wyly	7¼	7½
Xerox	63¾	64⅞
Yellow Frt Sys	13¼	13¾
Zapata	31⅛	30⅝
Zenith Radio	9⅛	9⅝
U.S. Trs 4% 1980	99⅞	99⅞

Indices

NEW YORK—DOW JONES

	Feb. 19	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	1979-80 High	1979-80 Low	Since Cmpil'n High	Since Cmpil'n Low
● Industr'ls	876.62	884.98	895.77	903.84	898.98	888.59	903.84 (15/2/80)	796.67 (7/11)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	67.40	68.18	68.67	68.16	68.54	69.04	86.10 (15/8)	67.40 (19/2/80)	—	—
Transport	284.96	287.20	290.86	287.72	287.25	300.64	305.60 (8/2/80)	205.78 (27/2)	305.60 (8/2/80)	12.23 (8/7/32)
Utilities	109.64	111.20	112.65	113.46	112.92	112.28	113.46 (13/2/80)	98.24 (24/10)	163.32 (20/4/69)	10.52 (28/4/42)
TradingVol 000's	39,480	46,880	50,640	65,250	46,090	58,680	—	—	—	—

●Day's high 883.96 low 869.37

Ind. div. yield %	Feb. 15	Feb. 8	Feb. 1	Year ago (approx
	6.50	6.60	6.50	5.91

STANDARD AND POORS

	Feb. 19	Feb. 15	Feb. 14	Feb. 13	Feb. 12	Feb. 11	1979-80 High	1979-80 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	130.09	130.94	132.41	134.47	133.83	132.79	134.47 (13/2/80)	107.08 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
§Composite	114.60	115.41	116.72	118.44	117.90	117.12	118.44 (13/2/80)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Feb. 13	Feb. 6	Jan. 30	Year ago (approx)
Ind. div. yield %	4.81	4.92	4.89	5.07
Ind. P/E Ratio	8.45	8.22	8.29	8.96
Long Gov. Bond Yield	11.85	11.88	11.16	8.98

N.Y.S.E. ALL COMMON

Feb. 19	Feb. 15	Feb. 14	Feb. 13	1979-80 High	1979-80 Low
65.62	66.14	66.82	67.77	67.77 (13/2/80)	53.88 (27/3)

Rises and Falls

	Feb. 19	Feb. 15	Feb. 14
Issues Traded	1,934	1,885	1,871
Rises	346	367	413
Falls	1,241	1,150	1,105
Unchanged	347	368	353
New Highs	20	13	58
New Lows	166	108	60

MONTREAL

	Feb. 19	Feb. 18	Feb. 15	Feb. 14	1979-80 High	1979-80 Low
Industrial	381.70	377.13	372.85	371.32	384.66 (11/2/80)	278.39 (2/1)
Combined	351.67	347.97	344.64	343.94	356.06 (11/2/80)	225.80 (2/1)
TORONTO Composite	2083.4	2068.5	2044.9	2046.8	2118.6 (11/2/80)	1615.8 (2/1)

	Feb. 20	Feb. 19	Feb. 18	Feb. 15	1979-80 High	1979-80 Low
AUSTRALIA						
Sydney Al Ord. (1956/59)	898.83	906.16	918.72	919.66	947.47 (14/2/80)	545.72 (2/1/79)
Metals & Minls (1959/59)	6033.75	6129.37	6205.70	6267.44	6680.96 (14/2/80)	2587.34 (2/1/79)
AUSTRIA						
Credit Aktien (2/1/62)	68.42	68.17	68.29	68.63	69.40 (7/1/80)	61.55 (2/5)
BELGIUM						
Belgian SE (31/12/63)	105.65	105.69	105.45	105.95	109.47 (5/10)	98.80 (5/1/79)
DENMARK						
Copenhagen SE (1/1/73)	80.57	80.84	81.04	81.53	97.48 (25/7)	80.57 (20/2/80)
FRANCE						
CAC General (29/12/61)	114.5	115.9	115.6	113.9	116.2 (14/2/80)	82.4 (16/2/79)
Ind Tendance (28/12/79)	108.8	108.5	108.7	108.7	109.7 (13/2/80)	95.9 (3/1/80)
GERMANY						
FAZ-Aktien (31/12/58)	258.19	255.98	254.74	256.65	265.60 (16/1/79)	218.11 (21/1/80)
Commerzbank (Dec. 1953)	741.5	741.1	(u)	741.8	839.68 (16/1/79)	698.3 (21/1/80)
HOLLAND						
ANP-CBS General (1970)	85.2	85.2	84.7	85.4	94.2 (24/1/79)	81.9 (21/1/80)
ANP-CBS Indust. (1970)	65.8	66.2	65.8	66.0	86.9 (24/1/79)	65.6 (21/1/80)
HONG KONG						
Hang Seng Bank (31/7/64)	949.89	(c)	(c)	963.17	963.17 (15/2/80)	493.86 (2/1/79)
ITALY						
Banca Comm. Ital (1972)	95.08	94.64	93.50	91.59	95.08 (20/2/80)	68.38 (2/1/79)
JAPAN						
Dow Average (16/5/49)	6806.01	6763.09	6756.60	6827.71	6838.98 (14/2/80)	5925.87 (10/4)
Tokyo New SE (4/1/68)	471.04	469.64	469.59	472.47	472.65 (14/2/80)	435.15 (13.7)
NORWAY						
Oslo SE (1/1/72)	142.59	145.89	143.27	143.47	144.78 (14/2/80)	74.46 (16/1/79)
SINGAPORE						
Straits Times (1966)	481.89	485.28	(c)	476.28	485.28 (19/2/80)	348.54 (23/2/79)
SOUTH AFRICA						
Gold (1958)	(u)	546.6	547.1	547.1	565.1 (11/2/80)	228.40 (17/4)
Industrial (1958)	(u)	509.5	510.0	513.0	517.2 (14/2/80)	279.50 (2/1/79)
SPAIN						
Madrid SE (26/12/79)	103.22	102.50	(c)	101.89	105.22 (20/2/80)	98.31 (15/1/80)
SWEDEN						
Jacobson & P. (1/1/58)	374.03	375.67	373.98	389.81	401.34 (8/2/79)	331.37 (24/9)
SWITZERLAND						
Swiss Bank Cp. (31/12/58)	316.1	316.2	315.7	316.5	323.10 (2/5)	284.90 (3/1/79)
WORLD						
Capital Intl. (1/1/70)	—	138.8	140.6	140.7	143.3 (15/2/80)	122.2 (1/3/79)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Amer. Cyanamid	624,100	34½	+2¾
Sears Roebuck	610,600	17	−¼
Mobil	491,400	67⅞	+3¾
IBM	447,800	67	−⅝
Texaco	399,200	37⅞	−¼
Gulf Oil	391,300	46⅞	+1⅞
Goodyear Tire	363,800	12⅝	−⅛
Am. Tel. & Tel.	343,400	50½	−¼
Occidental Pet	339,800	29	−⅛
Exxon	334,300	62¼	−1¼

CANADA

Stock	Feb. 19	Feb. 18
Abitibi	23¾	23⅜
Agnico Eagle	13⅝	14⅜
Alcan Alumn	68	68
Algoma Steel	37½	37¼
Asbestos	35½	35¾
Bk Montreal	25⅜	25¼
Bk Nova Scotia	26	25⅞

BELGIUM (continued)

Feb 20	Price Frs.	+ or —
Petrofina	6,090	−10
Royale Belge	5,710	−40
Soc Gen Banq	2,725	−25
Soc Gen Belge	1,716	+10
Sofina	3,450	−30
Solvay	2,460	+70
Traction Elect.	2,540	−30
UCB	1,444	+6

HOLLAND

Feb. 20	Price Fls.	+ or —
ACF Holding	71	−0.5
Ahold	78.5	+1
AKZO	25.4	+0.1
ABN	290.5	−0.7
AMEV	97.5	−2
AMRO	61.5	−0.5
Bredero Cert.	214.0	−1

AUSTRALIA

Feb. 20	Price Aust. $	+ or —
ANZ Group	4.90	+0.20
Acrow Aust	1.05	
Allstate Expl	2.00	−0.10
Ampol Pet	1.20	
Assoc. Pulp Pap.	2.35	
Audimco	0.35	+0.07
Aust Cons Ind	2.23	+0.01
Aust Guarant.	1.55	
Aust Nat Inds.	2.60	

JAPAN (continued)

Feb. 20	Price Yen	+ or —
Makita	1,140	+40
Marubeni	371	+11
Marudai	626	+6
Marui	719	−5
Matsushita	716	
M'ta Elec Works	546	+1
M'bishi Bank	415	
M'bishi Corp	719	+19
M'bishi Elec.	206	−3

Tinned food subsidies criticised

By Our Commodities Staff

TINNED FOOD importers launched an attack on EEC import duties and production aids in London yesterday.

At a meeting organised by the British Association of Canned Food Importers and Distributors (BACFID) Mr. Derek Leigh, president of Frucom, the European Association representing importers of canned and preserved food, complained about "massive and ill-considered subsidies which stimulate the uncontrolled production of certain fruit and vegetable items."

Mr. Leigh, who is also trading director of John West Foods, said the tomato growing programme was a typical example.

"Tomato swamps will materialise alongside the wine lakes and butter mountains," he forecast. "We have seen Italian production double in two years."

Mr. Leigh also noted that Italian producers received a 12½p a lb subsidy on canned peaches—the equivalent of half the retail price. At the same time there was a 4p duty on third country imports as well as a sugar levy. "This is a crazy situation," he said.

Similar situations existed for other canned fruits and vegetables, and fish and meat products, Mr. Leigh said.

"These subsidies and aids are expensive for the common agricultural policy and for the consumer, and unfair to third country growers who can produce so much more efficiently."

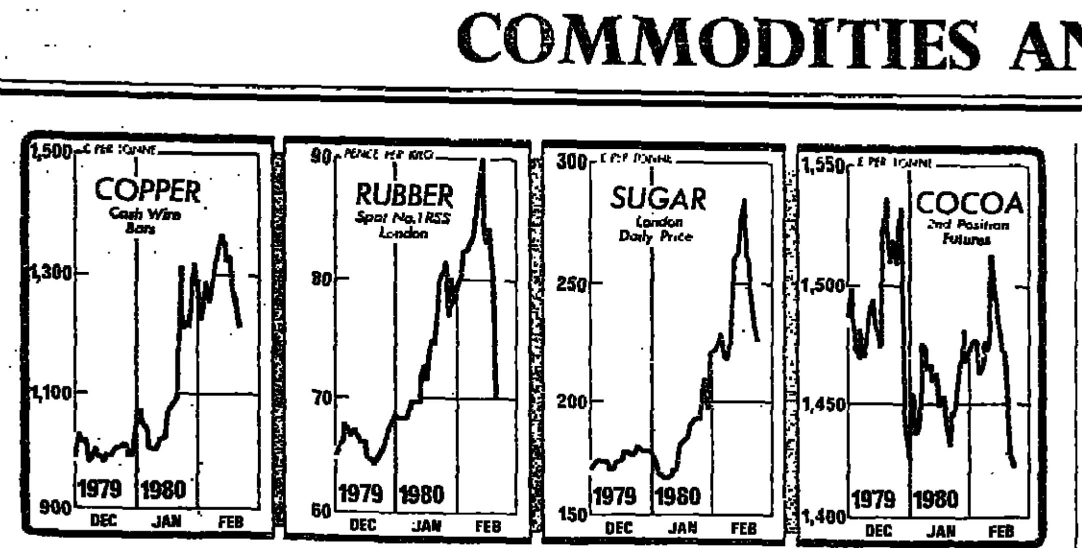
Pakistan cotton output up

KARACHI — Pakistan produced 3m bales of cotton during the current 1979/80 season which began on September 1, against around 2.9m bales last year, Cotton Export Corporation officials said.

Nusrat Hasan, Chairman of the corporation said Pakistan had exported 1.4m bales, including 500,000 bales to China, the largest single order.
Reuter.

Arabica date

MR. ANGUS KERR, chairman of the London Coffee Terminal Market Association, confirmed yesterday that April 14 was under consideration as a possible reopening date for the London arabica coffee market. But he said no firm decision had yet been taken.



Markets take another battering

BY JOHN EDWARDS, COMMODITIES EDITOR

COMMODITY markets took another battering from speculators yesterday, but a general rally in late trading reduced some of the early losses.

On the London sugar futures market the May position plunged to £235 at one stage, after having reached a five-year peak of over £300 last week, and then recovered to close at £251.875 a tonne, £2 down on the previous close. The London daily price for raw sugar was cut by £10 to £225.

There was a similar story in the rubber market. In hectic trading conditions April/June futures fell to 76.50p before rallying to close at 77.75p a kilo, still 8.05p lower on the day. The No. 1 RSS spot quotation was cut by 9p to 70p—one of the biggest ever daily falls.

Cocoa futures lost more ground in early trading with the May position declining to £1,3?? and climbing back up again to close at £1,421.5 a tonne, only £6.5 lower.

On the London Metal Exchange three months copper wirebars fell below £1,200 in early afternoon inter-office dealings when the New York market opened the permissible limit down. However a strong recovery took three months back up to £1,248 on the late kerb although it closed at £1,232.5 a tonne, £55 down on the previous close. Several North American copper producers announced further cuts in their domestic U.S. selling price to $1.30 a lb compared with $1.45 a week ago.

The London bullion spot quotation for silver was reduced by 234.5p to £13.16 at the morning fixing. The market eventually closed in the afternoon at £14.30, following renewed buying interest at the lower levels.

Free market platinum lost £7.5 to £377.45 a troy ounce in line with the decline in gold and silver.

Other metals followed the downtrend in copper and the precious metals, with the exception of tin, which was boosted by a rise in Straits tin price on the Penang market overnight.

Traders, shell-shocked by the violent fluctuations in prices during the past few days, claimed that the selling pressure has come almost entirely from speculators who had previously forced the markets up.

Speculators were tempted to take their profits by the prospect of the hoped for release of the U.S. hostages in Iran lessening international tension, while at the same time the rise in U.S. interest rates makes the holding of commodities even more expensive. Once the decline started, it was accelerated by massive stop-loss positions being triggered off. Considerable uncertainty remains, with some speculators nursing severe losses.

● Sugar export authorisations were sharply lower at this week's EEC tender as the Brussels Commission kept export rebates as low as possible, presumably taking the view that this week's market decline would not be sustained.

Early in the day sugar traders forecast that rebates would be granted at up to 12 European Currency Units (ECUs) with sales of at least 33,500 tonnes authorised at rebates might be granted on as much at 70,000 tonnes.

But in the event the rebate was kept down to 6.45 ECUs and only 6,500 tonnes of white sugar were authorised for export. This compared with 33,500 tonnes authorised at rebates of up to 1.478 ECUs last week when the world sugar price was £37 higher.

Earlier the Commission announced it had removed the 6.05 ECU levy on raw sugar exports imposed last Saturday because world prices had fallen below EEC threshold levels. No levy had been imposed on white sugar.

Renewed campaign for commodity centre

BY OUR COMMODITIES EDITOR

Group has not yet given up the fight for a world commodities centre to be set up in London.

Lord Seebohm has tabled a question in the House of Lords on March 6 asking the Government to reconsider its decision not to provide financial assistance for the project.

Lord Seebohm suggests that the Government did not take into account sufficiently the great benefits of having a centre for international commodity organisations in London or the financial support already pledged by City sources, including £0.5m promised by the Greater London Council.

Several other Lords, including Lord Shackleton and Lord Wade, are expected to speak in support of the Government re-examining its attitude.

There is considerable disappointment that the statement by Cecil Parkinson, Minister of Trade, on January 30 refusing Government backing for the project was purely concerned with financial details and took no account of the political and economic importance of retaining the commodity organisations in London.

Oilseeds output forecast

WASHINGTON — World output of oilseeds and related products is now estimated at 180m tonnes in 1979-80, down marginally from last month's forecast, but 14 per cent above last year's output, the U.S. Agriculture Department said.

USDA said current crop forecast changes from last month were minor, with sunflowerseeds up 100,000 tonnes and peanuts down 300,000.

In Brussels meanwhile EEC Commission experts have proposed a tax of at least $140 a tonne on vegetable oil to apply to domestic output as well as imports, informed sources said.

The levy is part of a plan to meet the expected cost of supporting Spanish agriculture, especially its huge olive oil output, when that country joins the Community, they said.

Taxing vegetable oil would make olive oil more attractive, soaking up some of the anticipated 200,000 tonnes annual surplus which would be generated if no action were taken.

The cost of supporting the olive oil market after Spanish membership is forecast to double to $2.1bn.
Reuter

Japan halts titanium alloy orders

TOKYO—Kobe Steel of Japan said it cannot meet requests from foreign aircraft manufacturers for titanium alloy because of a shortage of the metal.

The company said it has received requests from Boeing, McDonnell Douglas, Airbus Industries and Rolls-Royce, but added it has had to lower alloy production about 40 per cent because of a shortage of sponge titanium.

The company did not disclose annual production but the industry put it at about 3,000 tonnes.

Japan has been a major exporter of the metal, but it is in short supply at present following increased domestic demand and because Japanese manufacturers have to meet long-term contracts to foreign customers.

Last year, Japan produced about 12,000 tonnes of sponge titanium, of which 4,000 to 5,000 tonnes were exported.
Reuter

COCOA MARKET

Ivory Coast faces economic squeeze

BY ROBERT HECHT

A KEY issue at next week's meeting of the Cocoa Producers Alliance must be whether Ivory Coast, in particular, can continue its stated policy of holding off the market until prices reach higher levels. The problem is aggravated by the fact that coffee prices are under pressure too, making life even more difficult for the Ivory Coast, which is not only the world's biggest cocoa producer at present but also the third largest coffee grower. Economic prospects are, therefore, rather clouded for the Ivory Coast, one of Africa's most successful economies up until now.

Lower cocoa and coffee prices mean reduced revenues for the Ivory Coast government, which "skims off" the differential between the prevailing world price and the mandatory producer price that it pays to the country's more than 400,000 cocoa and coffee farmers. If this government differential turns out to be lower than in previous years, as it increasingly appears will happen, this will seriously threaten the Ivory Coast's ambitious public investment programme, which depends to a large extent on cocoa and coffee export receipts.

World market prices are still well above the fixed producer price of $1.40 for both cocoa and coffee, but the Ivory Coast government had been counting on even greater margins on what are expected to be near record crops of 300,000 tonnes of cocoa and 285,000 tonnes of coffee, in order to finance public investments this year.

The current downward trend in world prices has followed on the heels of a decision in October to raise official producer prices from $1.16 to $1.40 a kilo, a move which has ended up cutting even further into the government's share of shrinking income from cocoa and coffee.

The Government's 1980 budget calls on cocoa and coffee profits to contribute a hefty $750m (£330m) to public investment, or half of the total budget.

It was in an effort to reverse the decline in cocoa prices that the Ivory Coast hosted a meeting of the main producing countries in December in Abidjan, the capital. The Ivorians sought assurances from the other countries that they would refuse to sell cocoa below a minimum price, and proposed the creation of a producers' fund to support prices through intervention in futures markets.

The other important growers, including Ghana, Brazil, Nigeria and Cameroons, agreed in principle to the Ivorian suggestions, but so far no action has been taken about creating a producers' fund.

Since cocoa and coffee have accounted for over half of Ivory Coast's export earnings in recent years, the country's economic fortunes have been intimately tied to levels of output and world prices for the two commodities.

Soaring cocoa and coffee prices in 1976-77 provided windfall profits to the government, which channelled $570m and $675m of these profits to the 1977 and 1978 investment programmes. The Ivorian economy expanded by an impressive 8 per cent in real terms in both years.

When prices for Ivory Coast's two main exports declined in 1978, however, and drought ruined a large part of the coffee crop, the economic repercussions were sharply felt by the treasury, Ivorian farmers, and by nearly all other sectors of the economy. Export revenues marked for government capital expenditure fell to only $420m in 1979, and real GNP growth that year is estimated to have been around 3 per cent. The Ivory Coast had to borrow another $400m from foreign banks to cover the shortfall in its budget revenues, thereby increasing its already heavy external debt to over $4.5bn.

It is obviously crucial to the Ivorian economy that next week's Accra meeting is successful in at least sustaining present cocoa prices. Otherwise the Ivory Coast will be caught in an economic squeeze that could have unpleasant consequences.

Premium prices for cocoa sales

ABIDJAN—Ivory Coast's 1979-80 cocoa purchases reached 260,000 tonnes on February 18, Mr. Norbert Kouakou of the Caisse de Stabilisation said.

Mr. Kouakou, the assistant director-general, said it was hard to estimate how much more main-crop cocoa remained.

The Ivory Coast is continuing to sell "very important quantities" at premium prices, between FFrs 1,400 and FFrs 1,500 per 100 kilos. He rejected market talk in London that the Ivory Coast had sold for as low as FFrs 1,385.

He said cocoa stocks, which last month stood at 150,000 tonnes, were now down to 75,000 tonnes. Local plants have taken 30,000 of their alocated 70,000 tonnes.

Mr. Kouakou said the Ivory Coast had sold forward more than 60,000 tonnes of 1979-80 cocoa before it decided on its stockpiling policy, but he declined to say how much had been sold since.

On prospects for the mid-crop, Mr. Kouakou said it was still difficult to estimate, but would probably be in the region of 10,000 to 15,000 tonnes.

Mr. Kouakou said he considered next week's general assembly of the Cocoa Producers' Alliance in Accra a very important meeting, when the producers would examine the measures envisaged at the December meeting in Abidjan.

The producers agreed then on the principle of setting up a support fund for cocoa prices and studying long-term stockpiling, he added.

The one decision of the Abidjan meeting which is said to be already in operation is the decision not to sell below a confidential minimum price.

Mr. Kouakou said the other aspect of the Accra meeting would be consultations before the March talks in London with consumer countries.

But head of the Cocoa Division of the Cameroun Marketing Board, Mr. Mahamah Alamine Mey, said, any talks on setting up a new international cocoa agreement must depend on a minimum cocoa price of FFr 1,500 per 100 kilos for members of the alliance of cocoa producing countries.
Reuter

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Fell heavily again on the London Metal Exchange. Forward metal traded down from £1,260 to around £1,235 on the pre-market following renewed heavy speculation selling prompted by the sharp decline in overnight U.S. markets and the fall in precious metals. This selling continued during the morning rings and over the lunch-time period with three months metal dipping below £1,200 at one point, as Comex opened limit down. However, a strong rally in the U.S. produced a similar trend in London with forward metal recovering to touch £1,252 before closing the late Kerb at £1,248. Turnover: 41,300 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	1217-18	-104	1214-16	-55
3 months	1234-5	-102	1232-3	-56
Settlem't	1218	-105	—	...
Cathodes				
Cash	1163-7	-92.5	1165-9	-53
3 months	1192-200	-93.5	1195-9	-56.5
Settlem't	1167	-95	—	....
U.S. Prod	—	......	*158-46	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1,215, 17, three months £1,230, 29, 28, 25, 30, 31, 32, 33, 34, 33, 32, 30, 29, 28, 27, 26, 27, 28, 31, 32, 34, 35. Kerb: Wirebars, three months £1,234, 33, 32, 31, 30, 28, 27, 26, 25, 24, 22, 21, 20, 18, 17, 18. Afternoon: Wirebars, three months £1,218, 17, 15, 14, 15, 16, 15, 17, 18, 2?, 28, 30, 32, 31, 32, 30, 31, 3?. Kerb: Wirebars, three months £1,24?, 4?, 44, 45, 46, 47, 46, 45, 47, 49, 49, 49, 50, 51, 52, 53, 52, 51, 50, 49, 48, 46, 47, 48, 49.5, 49, 48.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7460-70	+50	7490-500	+50
3 months	7570-90	+80	7580-600	+12.5
Settlem't	7470	+50	—	......
Standard				
Cash	7460-70	+50	7490-500	+50
3 months	7570-80	+60	7560-90	+12.5
Settlem't	7470	+50	—	......
Straits E.	$2250	+23	—	......
NewYork	—	......		......

TIN—Higher following consumer buying, U.S. interest and the firmness of the Penang market. After opening at £7,640 and dipping to £7,570 on the pre-market, owing to hedge selling, forward metal moved up strongly to close the late Kerb at £7,630. Turnover: 950 tonnes.

Morning: Standard, cash £7,465, three months £7,590, 80, 70. Kerb: Standard, three months £7,580. Afternoon: Standard, cash £7,500, three months £7,570, 7,600, 7,590, 7,60?, 7,5??, 95, 90, 80. Kerb: Standard, three months £7,600, 10, 20, 20.

LEAD—Down, reflecting the weakness of other metals which prompted speculative selling and stop-loss selling. Forward metal traded down from £485 early on to touch a day's low of £475 before recovering to close the late Kerb at £486.5. Turnover: 12,500 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	484-5	-18.5	488-90	-9.5
3 months	479-80	-17	485-6	-7.5
S'ment	485	-18.5	—	....
U.S. Spot	—	....	*50	......

Morning: Cash £485, three months £48?, 82, 83, 82, 84, 83, 82, 81, 80. Kerb: Three months £480, 81, 80, 7?. Afternoon: Three months £478, 77, 7?, 7?, 78, 79, 81, 80, 82, 83, 84. Kerb: Three months £485, 86, 87.

ZINC—Fell away owing to losses in copper and lead. Forward metal lost ground during the morning but rallied in the afternoon to close the late Kerb at £381. Turnover: 10,475 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	374-5	-17	370.2	-9
3 months	385-6	-17	381-.5	-8.75
S'ment	375	-17	—	....
Primw'ts	—	......	*37.5	....

Morning: Cash £370, 73, three months £390, 79, 77, 75, 77, 76, 77, 78, 79, 80, 81, 83, 84, 85. Kerb: Three months £380, 84. Afternoon: Three months £376, 75, 77, 81, 80, 81. Kerb: Three months £383, 81, 80, 81, 82, 81.

ALUMINIUM—Easier following the trend in other metals. Forward metal opened around £938 and gave ground to touch £929 in the morning before recovering to close the late Kerb at £934 with the market well supported below the £930 level. Turnover: 7,075 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	924-6	-14	920.5-1.5	-12
3 months	934-.5	-16	931-2	-13

Morning: Three months £930, 31, 32, 33, 34, 35, 34.5, 34. Kerb: Three months £935, 34. Afternoon: Three months £930, 29, 30, 32, 30, 31, 32, 33, 31. Kerb: Three months £934, 35, 34.

NICKEL—Barely changed on balance. After moving ahead to £3,110 on the pre-market forward metal came under pressure along with other metals and fell back to £3,02?. However, good buying was reported in the afternoon and the price rallied to close the late Kerb at £3,140. Turnover: 798 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	2950-70	-50	3000-20	-18
3 months	3080-90	-62.5	3135-40	+7.5

Morning: Three months £3,110, 3,100, 3,090, 70, 50, 40, 30, 40, 50, 60, 70, 80. Kerb: Three months £3,070. Afternoon: Three months £3,080, 90, 3,100, 10, 05, 20, 40, 30. Kerb: Three months £3,140.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

COTTON

LIVERPOOL—No spot or shipment sales were recorded leaving the total for the week so far at 375 tonnes. Diminished demand brought an inability on the part of operators to make progress and activity was virtually non-existent. Scattered support in Middle Eastern growths was the only sign of interest.

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HIDES—Leeds: Weakness continues. Second clears: Ox. 31-35.5 kilos, 40.0p a kilo (42.5p a kilo); 26-30.5 kilos, 49.0p (51.0); 22-25.5 kilos, 58.1p a kilo withdrawn (61.0). Light cows 56.0p (57.0p).

SILVER

Silver was fixed £2.345 an ounce lower for spot delivery in the London bullion market yesterday, at £13.1695. U.S. cent equivalents of the fixing levels were: Spot $30, down $5.35; three-month $30.037, down $5.787; six-month $30.035, down $5.676; and 12-month $29.855, down $5.433. The metal opened at £14.05-14.55 ($32-33) and closed at £13.60-14.05 ($31-32).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffici'l	+ or —
Spot	1316.95p	-254	1360.0p	-180
3 months	1325.9p	-255	1375p	-117
6 months	1329.9p	-251	—	......
12 months	1326.6p	-244	—	......

LME—Turnover 375 (294) lots of 10,000 ozs. Morning: Three months 1325, 20, 1300, 1290, 95, 1300, 10. Kerbs: Three months 1305, 1300. Afternoon: Three months 1300, 1290, 1360, 70, 80. Kerbs: Three months 1380, 75, 70, 65.

COCOA

Opening unchanged, futures traded quietly during the morning, eased sharply midway through the afternoon but on renewed buying at the close ended the day little changed to Tuesday evening. Producers declined to meet these lower prices but consumers took advantage of the dip and were actively participating throughout the day, reports Gill and Duffus.

COCOA	Yesterd'ys Close	+ or —	Business Done
March	1403-05	-9.5	1421-1390
May	1421-22	-6.5	1436-09
July	1443-44	+4.5	1449-25
Sep	1459-60	+3.0	1466-45
Dec	1490-94	......	1500-1483
March	1506-20	+5.0	1520-05
May	1525-40	-0.5	1545-35

Sales: 3,369 (4,047) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Feb. 19: 144.94 (149.21); Indicator price Feb. 20: 15-day average 149.32 (149.35); 22-day average 147.52 (same).

COFFEE

Despite a strong close in the "C" Contract market, Robustas failed to fulfill early expectations when opening £4-£8 higher as commission house selling, particularly in nearby March, provided good resistance below recent chart points, reports Drexel Burnham Lambert. The afternoon was once again very disappointing and there was little activity as values remained fixed in a £5 range, and producer participation was very limited in volume.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1489-90	-2.0	1500-89
May	1531-34	-0.5	1539-26
July	1555-60	+5.5	1560-51
Sept	1579-80	—	1585-70
Nov	1583-87	+0.5	1589-79
January	1574-80	+2.0	—
March	1560-75	+3.0	—

Sales: 4,479 (2,743) lots of 5 tonnes.

ICO Indicator prices for Feb. 19 (cents per pound). Other Mild Arabicas 163.50. Robustas ICA 1976 159.00. ICA 1968 159.25. Unwashed Arabicas 185.00. Comp. daily ICA 1968 172.33.

GRAINS

	WHEAT		BARLEY	
M'nth	Yest'rdays close	+ or —	Yest'rday close	+ or —
Mar.	95.15	-0.35	94.69	......
May	99.80	-0.35	99.00	-0.10
Sept	95.05	-0.05	92.85	+0.10
Nov	99.15	+0.10	97.00	+0.15
Jan	103.10	+0.20	100.85	+0.10

Business done—Wheat: March 95.30-94.40, May 99.90-99.00, Sept. 95.30-95.15, Nov. 99.25-99.15, Jan. 103.10-1?3.10. Sales: 619 lots of 100 tonnes. Barley: Mar. 94.55-93.75, May 99.05-98.20, Sept. 93.00-92.85, Nov. 97.05-96.95, Jan. no trade. Sales: 780 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: Eastern 95.20, E. Midlands 95.30, N. East 94.70.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, Feb. 98.50, March 99, April-May 95.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, Feb. 94.25, March 95.25, transhipment East Coast. Maize: U.S./French Feb. 116.25, March 117, transhipment East Coast. Barley: English Feed fob Feb. 99.50, March 101.50, April 103, April-June 104 East Coast. Rest unquoted.

RUBBER

The London physical market opened easier, with vast terminal speculative liquidation throughout the day, closing on an uncertain note. The Malaysian godown price was unquoted.

Sales: 2,248 (1,195) at 15 tonnes; 4 at 5 tonnes.

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
Mar.	76.00-79.00	80.00-81.00	76.00
Apr.	77.60-78.00	82.00-85.00	78.65-77.50
Apr.-Jne	78.80-79.30	85.70-86.90	87.00-76.50
Jly.-Sept	84.00-84.10	89.50-89.60	91.00-79.00
Oct.-Dec	87.10-87.25	95.10-93.85	94.20-82.60
Jan-Mar	89.50-89.60	94.75-94.90	96.00-86.00
Apr.-Jne	91.70-91.75	96.60-97.00	91.15-90.00
Jly.-Sept	94.00-94.10	98.50-98.55	99.50-92.10
Oct.-Dec	96.20-96.30	100.75-00.8	96.00-94.85

Physical closing prices (buyer) were: Spot 70.00p (79.00p); March 74.00p (79.00p); April 76.00p (81.00p).

SOYABEAN MEAL

The London soyabean meal market opened easier on slight trade selling, reports T. G. Roddick. During the afternoon session prices found support on easier sterling and the market closed around 40p down on the day.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
February	109.00-19.0	-0.60	116.50
April	111.30-11.8	-0.45	112.00-11.30
June	111.40-11.5	-0.45	112.00-11.30
August	114.00-14.4	....	—
October	115.30-14.0	-0.20	—
December	116.50-17.0	-0.25	—
February	119.00-19.8	......	119.00

Sales: 43 (27) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £225.00 (£235.00) a tonne cif for Feb.-March-April shipment. White sugar daily price was £240.00 (£252.00).

The market opened with a brisk rally which lifted prices some £8.00 above kerb levels. However, good selling became apparent at the highs which were short-lived, and a sharp decline occurred, so that by mid-day prices were £18-£20 below the best levels. During the afternoon, however, New York March improved 250 points despite all other positions remaining at limit down, and in London all the losses were recovered, reports C. Czarnikow.

Sugar Pref. Comm. Con.	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
March	241.00-45.00	243.75-244.0	243.00-220.0
May	251.75-52.00	253.75-254.0	256.50-235.0
Aug.	253.50-54.75	256.50-257.0	258.00-237.0
Oct.	256.00-56.50	258.25-258.7	259.00-238.0

Sales: 11,954 (8,504) lots of 50 tonnes.

NO. 4 CONTRACT—Close (in order buyer, seller, only): May 253.00, 254.90; Aug. 255.00, 257.00; Oct. 257.00, 259.00; Jan. 248.00, 253.00; March 256.00, 258.00; May 256.00, 258.00. Sales: 108 (186).

Tate and Lyle ex-refinery price for granulated basis white sugar was £318.70 (same) a tonne for home trade and £306.00 (£318.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for February 19: Daily price 22.03 (23.83). 15-day average 23.01 (22.78).

PRICE CHANGES

In tonnes unless otherwise stated

	Feb. 20 1980	+ or —	Month ago
Metals			
Aluminium	£810/15		£770/810
Free Mkt (cs)	$2180/2200		$1850/195
Copper			
Cash w'bar	£1,215	-55	£1,229
3 mths	£1,232.5	-55	[illegible]
Cash Cathode	£1,167	-52.5	£1,179
3 mths	£1,197	-56.5	£1,197.5
Gold troy oz	$627.5	-21	$700
Lead cash	£489	-95	£515
3 mths	£484	-7.5	£506.5
Nickel	£3,195.75	....	£3,195.78
Freemkt(cif)(lb)	305/320c	.....	300/320c
Platin'mtr'y oz	£189.0	...	£189
Free mkt	£377.45	-7.5	£375.75
Quicksil'ver†	$406/410	...	$400/410
Silver troy oz	1316.95p	-254.5	1682.10p
3 months	1325.9p	-256.5	1702.10p
Tin Cash	£7,495	-30	£7,565
3 mths	£7,585	+12.5	£7,492.5
Tungsten 22.04lb	$139.11	-0.39	$138
Wolfrm 22.04 lb	$139/144	....	$140/144
Zinc cash	£371	-9	£350.5
3 months	£381.25	-8.75	£364.5
Producers	$835	.....	$790/825
Oils			
Coconut (Phil)	$827.50r	-5	$920
Groundnut	‡	......	‡
Linseed Crude	£446	......	‡
Palm Malayan	$665u	-5	$695
Seeds			
Copra Philip	$550r	-10	$600
Soyabean(U.S.)	$286.25r	-4.55	$282.25
Grains			
Barley Futures	£99.00	-0.10	£100.25
Maize			
French No3 Am	£116.25	....	£117
Wheat			
No. 1 Red Spg	‡		‡
No2HardWint	£94.25	+1	£94
Eng. Milling†	‡	......	‡
Other commodities			
Cocoa ship.t	£1,455	-10	£1,511
Future May	£1,421.5	-6.5	£1,446.5
CoffeeF't'rMay	£1,552.5	-0.5	£1,480.5
Cotton A.Index	95.35c	-1.30	89.45c
Rubber (kilo)	70p	-9	81.50p
Sugar (Raw)	£225	-10	£203
Wooltp's 64s	295p kilo	......	284p kilo

r March. s June. v Feb.-March. t March-April. u April. w May. x July. z Indicator. § Buyer. † Per 76 lb flask.

WOOL FUTURES

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. May 385, 395, 393, 5; Aug. 405, 407, 505, 1; Oct. 411, 414, 413, 2; Dec. 412, 415, 410, 3; Jan. 412, 415, nil, nil; March 415, 418, nil, nil; May 416, 420, nil, nil; Aug. 418, 422, nil, nil. Sales: 11.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business, sales). Australian cents per pound. March 469.0, 470.0, 473.0-467.0, 67; May 490.0, 493.0, 498.0-489.0, 239; July 515.0, 515.5, 516.0-513.0, 546; Oct. 514.5, 515.0, 518.5-512.0, 154; Dec. 512.0, 513.0, 518.5-512.0, 196; March 510.0-511.0, 519.0-510.0, 54; May 511.0, 513.0, 519.0-509.0, 11; July 510.0, 518.0, untraded. Sales: 1,258.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 64.0 to 68.0; Eire hindquarters 68.0 to 72.0, forequarters 47.0 to 50.0. Veal: English fats 74.0 to 83.0. *English fats 84.0; Dutch hinds and ends 98.0 to 104.0, *Dutch hinds and ends 106.0. Lamb: English small 54.0 to 64.0, *English small 76.0, medium 50.0 to 64.0, heavy 44.0 to 56.0; Scottish medium 50.0 to 58.0, heavy 44.0 to 58.0. Imported frozen: NZ PL new season 53.5 to 54.0, NZ PM new season 51.5 to 52.0. Pork: English, under 100 lb 41.0 to 49.0, 100-120 lb 38.0 to 48.0, 120-160 lb 36.0 to 44.0. * Special quotations—very high quality produce in limited supply.

MEAT COMMISSION—Average fatstock prices at representative markets on February 20. GB cattle 79.04p per kg lw (-0.79); UK sheep 149.4p per kg est dcw (+7.9); GB pigs 65.0p per kg lw (-0.4).

AMERICAN MARKETS

NEW YORK, February 20.

GOLD RALLIED from limit losses on reports of a strong economy in the fourth quarter of 1979. Silver traded only limit down. Good trade buying helped copper recover from limit losses. Cotton closed mixed after early spillover selling from Tuesday's close. Coffee declined sharply after London did not follow through on the previous strong close in New York and eventually closed mixed. Sugar was limit down except the spot month as the selling psychology is gradually turning. Grains and soyabeans rallied moderately on commission house buying and local short-covering. The livestock complex closed mixed, reported Heinold.

Potatoes (round whites)—March unquoted (53.6). April unquoted (55.5). May 67.0-68.0. Nov. 76.0-77.0. Sales: 641.

Tin—805.00-814.00 asked (805.00-807.00).

CHICAGO, February 20.

Lard—Chicago loose 20.00 (19.75). New York prime steam unavailable.

Live Cattle—Feb. 69.45-69.80 (68.80). April 71.20-71.35 (71.30). June 73.00-72.90. Aug. 72.60-72.50. Oct. 71.45-71.55. Dec. 72.70. Feb. 72.90.

Live Hogs—Feb. 38.40-38.30 (38.12). April 37.37-37.15 (37.40). June 40.70-40.75. July 41.60-41.65. Aug. 41.25. Oct. 40.85. Dec. 43.40-43.45. Feb. 45.30. April 45.12.

‡‡Maize—March 269¾-270 (269½). May 283-283½ (282¾). July 294¾-294. Sept. 303. Dec. 311¾-312. March 323.

Pork Bellies—Feb. 39.10 (39.12). March 39.05-39.20 (39.32). May 40.60-40.50. July 42.00-41.80. Aug. 41.30-41.20. Feb. 51.50. March 52.00.

Silver—Feb. 3325.0 (3100.0). March 3425.0 (3545.0). April 3450.0. June 3505.0. Aug. 3555.0. Oct. 3604.0. Dec. 3652.0. Feb. 3704.0. April 3754.0. June 3804.0. Aug. 3854.0. Oct. 3904.0. Dec. 3954.0. Feb. 4004.0. April 4054.0. June 4104.0. Aug. 4154.0.

†Soyabeans—March 643½-644 (638½). May 667-668 (662½). July 690-690½. Aug. 699-698½. Sept. 707. Nov. 720½-730. Jan. 738. March 757½.

‖Soyabean Meal—March 177.40-177.20 (176.20). May 183.70-183.80 (182.20). July 189.40. Aug. 192.10. Sept. 195.00-195.50. Oct. 197.00-197.50. Dec. 201.50. Jan. 203.00-203.50. March 208.50.

Soyabean Oil — March 22.83-22.80 (22.77). May 22.45-22.43 (22.38). July 23.98-23.95. Aug. 24.25-24.20. Sept. 24.50. Oct. 24.75. Dec. 25.07. Jan. 25.15-25.20. March 25.60. May 25.90-25.94.

†Wheat—March 443-443½ (449¾). May 455½-455 (452½). July 461½-461¼. Sept. 472½. Dec. 490½. March 507.

WINNIPEG, February 20. §Barley—March 111.10 (111.60). May 112.90 (114.00). July 113.80. Oct. 110.30. Dec. 109.50.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 229.45 (same).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, February 20.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent, Feb. $195, March $197. U.S. Hard Winter ordinary unquoted. U.S. No. 2 Red Winter Feb. $194, March $196. U.S. No. 2 Northern Spring, 14 per cent, March $204.50, April-May $196.50, May-June $196.50, June-July $199, July-Aug. $201.

Maize—U.S. No. 3 Corn Yellow afloat $129, Feb. $131, March $132.75, April-June $139, July-Sept. $145, Oct.-Dec. $148.50.

Soyabeans—U.S. Two Yellow Gulfports Feb. $262, March $263.50, April $269.50, May $272.75, June $273.50, July $281.50, Aug. $285.25, Sept. $288.50, Oct. $290.75, Nov. $290, Dec. $296.25, Jan. $300, Feb. $307.50, March $309.50. Brazil Yellow Faq. unquoted. Argentine May $272, June $278, July $279.

Soyameal—44 per cent protein U.S. afloat $232, Feb. $232 traded afloat $231, Feb. $232, March-April-May $232, April-Sept. $237, Nov.-March $254 sellers. Brazil Pellets Feb. $251, March $241, April-May $238, April-Sept. $244, Nov.-March $205 sellers.

PARIS, February 20.

Cocoa (FFr per 100 kilos)—March 1291-1315, May 1305-1310, July unquoted, Sept. 1330, Dec. 1335, March 1340. Sales at call 7.

Sugar (FFr per 100 kilos)—May 2261-2268, July 2260-2280, Aug. 2281-2305, Oct. 2300-2350, Nov. unquoted, Dec. 2310, March 2320, May 2330. Sales at call 16.

INDICES

FINANCIAL TIMES

Feb. 19	Feb. 18	M'nth ago	Year ago
304.03	308.70	301.63	268.42

(Base: July 1, 1952=100)

MOODY'S

Feb. 19	Feb. 15	M'nth ago	Year ago
1435.0	1447.5	1515.2	1045.7

(December 31, 1931=100)

DOW JONES

Dow Jones	Feb. 19	Feb. 15	Month ago	Year ago
Spot	442.92	459.71	426.66	382.56
F'tur's	459.12	468.04	435.79	381.05

(Average 1924-25-26=100)

REUTERS

Feb. 20	Feb. 19	M'nth ago	Year ago
1760.4	1799.6	1769.8	1550.8

(Base: September 18, 1931=100)

COVENT GARDEN—Prices in sterling per package except where otherwise stated: Imported Produce: Oranges—Spania: Navel 3.50-4.30; Jaffa: Navels/Shamouti 50/189 3.75-5.50; Moroccan: 64/113 3.50-3.80. Satsumas—Spania: 95/189 3.40-4.26. Clementines—Spania: 4.50-5.50. Lemons—Italian: 100/150 4.50; Cyprus: 11 kg 84/120 3.00-4.40; Greek: 4.80-5.00; Spanish: Trays 1.50-1.70; Californian: 99/115 5.50. Grapefruit—Cyprus: 20 kgs 3.10-4.40; Jaffa: large boxes 32/88 4.80; Florida: pink flesh 36/48 4.20-4.80. Apples—French: Golden Delicious boxes 40 lbs 138/175 3.60-5.00, 20 lbs 1.60-2.40; Granny Smith 20 lbs 2.40-3.00, 40 lbs 4.50-6.00, Stark crimson, approx. 20 lbs 72 2.60, 40 lbs 5.60-6.50; Italian: Granny Smith 20 lbs per lb 0.14-0.16, Jonathan 0.08½, Starking 0.11, Golden Delicious 0.09; Spanish: Starkcrimson 5.00-5.50. Grapes—Californian: Red Emperor per lb 0.50-0.55; Sth. African: Queen of the Vineyard 7.00, Ben Hannah 7.00, Alphonse 7.50; Waltham Cross 8.30. Plums—Sth. African: Gaviotas 0.38-0.45, Wickson 0.40-0.50, Eldorado 0.40-0.45. Ortaniques—Jamaican: 54/126 6.30-7.50. Avocados—Israeli: 4.00-4.50. Melons—Spanish: 10 kgs Green 9/11 7.00; Ecuador: White 4.00. Pineapples—Ivory Coast: each 12 0.50-0.60, 6 1.00-1.10; Sth. African: 6/9 2.50-2.70. Onions—Spanish: 4.50-6.00 Dutch: 3.00; Canadian: 50 lbs 3.80. Tomatoes—Canary: 3.00-5.00. Bananas—Jamaican: 26 lbs 0.18. Lettuce—Dutch: 24 2.60; French: 1.00. Cucumbers—Canary: 14/18 3.60-4.20. Capsicums—Canary: per lb 0.35; Cuban: 0.35; Ethiopian: 0.40. Celery—Israeli: 24/28 3.00-4.00; Spanish: 18/36 3.00-4.00; Californian: 24 5.00; Italian: 12/18s 2.50. Chicory—Belgian: 5 lbs 1.60-1.80. Potatoes—Italian: boxes 20 lbs 3.00; Cyprus: 55 lbs 4.90; Egyptian: 4.50.

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GRIMSBY FISH — Supply good, demand poor. Prices at ship's side (unprocessed) per stone): Shelf cod £3.30-£4.00, codlings £2.20-£2.60; Large haddock £3.30-£4.20, medium £3.60-£4.00, small £2.20-£2.50; Large plaice £3.60-£4.00, best small £3.00-£3.30; Skinned dogfish (large) £9.50; Lemon soles £10.00; Rockfish £2.00-£3.00; Saithe £2.20-£2.60.

Gold shares lead widespread setback in mining markets
Equities easier too but short Gilts improve again

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
Jan. 28	Feb. 7	Feb. 8	Feb. 18
Feb. 11	Feb. 21	Feb. 22	Mar 3
Feb. 25	*Mar. 6*	*Mar. 7*	*Mar. 17*

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Mining markets became the centre of attention in stock markets yesterday. The sector registered widespread weakness, *with South African Golds down* as much as £2¾, on the decline in gold, precious and base-metal prices. Falls in these and other commodities were being attributed to worries about increased financing costs in the wake of an intensified U.S. money squeeze and accompanying higher interest rates.

Equity markets meanwhile gained some comfort from the BL vote against a strike at Longbridge to support the reinstatement of Mr. Derek Robinson. Leading shares almost regained initial small losses before sentiment was soured by reports that the Welsh miners were being urged to strike on Monday in support of the steel workers.

The continuing absence of institutional activity resulted in features emerging only in actual and potential situation issues. The Oil sector provided more firm spots than most, but even here enthusiasm was relatively lukewarm and ensuing rises were *modest. Shares of the major* banks turned lower, however, on some loose talk of pending rights issues.

The mood of the equity sector was reflected in the hourly fluctuations of the FT 30-share index. At the first calculation, this measure was down 2.6 which was reduced an hour later to only 0.5, but this proved to be the day's best and the index subsequently gave ground to end a net 3.5 down at 458.3.

Gilt-edged securities became steadier after the late overnight uncertainty caused by U.S. interest rate anxieties and reported institutional selling. Quotations opened unchanged to a shade firmer and the shorts soon started to make progress along with selected mediums, the latter helped by stock shortage, but came back from the best.

Some mediums still closed ⅛ higher and gains among the shorts were only slightly less. Longer-dated stocks, however, were subdued, possibly on thoughts that the next issue of Government stock may be in this area. At the official close, movements were rarely more than ⅛ but in the after-hours' trade the tone turned softer.

The expiry of the February *series* attracted business in Traded options and the resultant 958 contracts almost doubled the previous day's total. Racal recorded 239 deals, while other active issues took in RTZ, 131, Imps, 128, and Cons. Gold Fields, 127.

Gillett Brothers fall

Discounts were featured by a drop of 40 to 185p, after 180p, in Gillett Brothers following the preliminary results and dividend cut. Other Discount Houses were unsettled by the announcement with Allen Harvey and Ross shedding 15 to 320p and Alexanders falling 8 to 195p. Jessel Toynbee and Smith St. Aubyn gave up 4 apiece to 64p and 100p respectively, while *Union cheapened 5 to 370p* and Clive 3 to 70p. Suggestions that a rights issue might accompany Lloyds' annual results on Friday undermined confidence among the major clearing banks which all recorded falls of around 8.

Selling in Insurances gathered pace *in late dealings* as news of the gloomy statement from the chairman of the British Insurance Association filtered through. Sun Alliance finished with a fall of 14 at 566p and Royals with one of 10 at 338p. Guardian Royal Exchange gave *up 12 to 238p and Commercial* Union 6 to 137p. Eagle Star and Phoenix shed 4 apiece to 161p and 238p respectively. Among Life issues, Legal and General were notable for a fall of 5 to 168p, while Pearl reacted 10 to 282p and Prudential 4 to 177p.

A couple of pence lower for most of the day, Blue Circle eased further following the company's late announcement about the Armitage bid situation to close 4 off at 296p; this values the Armitage bid at about 98½p, but the latter's shares shed 6 to 95p on profit-taking; today is the first closing date of the offer.

Marchwiel, at 84p, gave back 4 of the previous day's gain of 6 following comment on the annual results. Other Contracting and Construction issues encountered small selling with *Newarthill and SGB 3 easier* at 250p and 240p respectivley, while Wilson (Connolly) shed 6 to 194p and Wimpey eased 1½ to 77p. In Timbers, profit-taking clipped a penny from Montague L. Meyer to 98p and International relinquished 3 to 122p as interest *faded. Magnet and Southerns*, on the other hand, improved a few pence to 170p.

Small sellers called the tune in ICI which steadily lost ground to close 5 lower at 390p. Business in Fisons was quiet, but the price slipped a couple of pence to 282p.

Leading Stores subdued

Store majors traded quietly and closed narrowly easier on balance. House of Fraser slipped 3 to 131p, while British Home ended 6 off at 258p. Elsewhere, Ernest Jones continued to respond to Tuesday's excellent annual results and capital proposals, rising 19 for a two-day gain of 37 to 235p. Other Jewellers attracted good support in sympathy: Ratners added 3 to 57p, while James Walker, 97p, and Northern Goldsmiths, 84p, both picked up 2 and Excalibur Jewellery firmed the turn to 23p. R. and J. Pullman, at 50p, firmed a penny following acquisition news, but profit-taking clipped 4 and 6 respectively from recent speculative favourites Lee Cooper, 288p, and Foster Bros. 100p. Dealings in furniture retailers Henderson-Kenton were suspended at 118p at the company's request; market rumours suggest an offer from Harris Queensway which eased 8 to 178p. Support was again lacking for Mail-order concerns and Freemans fell 4 to 120p, while Empire shed a couple of pence to 164p.

Among Shoes, Headlam, Sims and Coggins firmed a shade to 46p following a Press mention, while Newbold and Burton, annual results due today, added a similar amount to 53p. Stylo on the other hand lacked support and closed 10 lower at 180p.

Leading Electricals trended easier, GEC, 380p, Racal, 214p, and Plessey, 137p, all closing a few pence lower. Elsewhere, *Louis Newmark* became prominent again at 330p, up 18p, in response to further demand in a restricted market. On the other hand, Berec, a recent speculative favourite, reacted 5 to 114p. Brocks, 85p, and MK Electric, 194p, gave up 4 apiece, *while Electronic Rentals* eased 2 to 109p.

News of the UK and export orders for gas turbines worth £21m stimulated buying interest in John Brown which put on 3 to 54½p, but other leading Engineers remained overshadowed by the steel dispute and lost further ground. GKN eased 3 more to 255p and Hawker 2 further to 174p, while Tubes, a relatively firm market on Tuesday, reacted 6 to 298p. Secondary issues recorded scattered losses, but further consideration of the preliminary figures prompted a gain of 4 to 45p in Drake and Scull. Following the recent suspension at 16½p, dealings resumed in Henry Norrington at 21½p on the cash bid of 21p per share from unquoted Frederick H. Burgess. On the other hand, occasional offerings left Stone-*Platt 3 lower at 48p and similar* falls were marked against Howard Machinery, 16p, RHP, 87½p, and Glynwed, 99p.

Foods turned distinctly softer in the late dealings, J. Sainsbury finished 5 cheaper at 288p and Tesco 1½ off at 61½p, while Cadbury Schweppes eased 1½ to 58½p and Unigate 2 to 123p. Against the trend, Morgan Edwards added 3 to 123p awaiting bid development; prospective merger partners Louis C. Edwards held at 68p.

In Hotels and Caterers, De Vere put on 6 to 223p on asset considerations. In the leaders, Grand Metropolitan eased 3 to 131p, but Trusthouse Forte held at the overnight level of 170p.

Berisfords improve

Scattered offerings and lack of support prompted a modest downward drift in the miscellaneous Industrial leaders. Bowater and Glaxo eased 4 apiece to 175p and 242p respectively, while BOC closed a penny lower at 68p. Elsewhere, satisfactory preliminary results caused firmness in Berisfords which rose 6 to 90p, but comment on the annual results prompted a reaction of 7 to 112p in Thermal Syndicate. Fresh offerings left Booker Mc-*Connell 12 cheaper* at 255p and Cawoods 4 lower at 174p. Sothebys, 500p, and Johnson Matthey, 260p, reacted 10 and 7 respectively, while disappointing interim results left Fitzwilton 5 down at 50p. Other dull spots included Powell Duffryn, 5 off at *172p, and Valor, 3 cheaper at* 56½p. By way of contrast, speculative interest was shown in Hamilborne which improved 5 to 67p.

Humphries Holdings firmed 2 to 28p helped by an investment recommendation. Elsewhere in the Leisure sector, Anglia TV A eased a penny to 67p following the preliminary statement.

Glanfield Lawrence featured Motor Distributors, rising 5 to 65p on revived takeover hopes fuelled by Press comment *Scattered support was seen for* Caffyns, 190p, and for Appleyard, *77p*, both up 2, but BSG lost 1½ to 27p.

Conflicting views on interest rate trends held Properties in check. The leaders, after a small two-way business, settled marginally lower on balance. Elsewhere, United Real shed 10 to 380p on the interim statement, while Warner Estate, at 242p, gave back 3 of the previous day's gain of 18.

Burmah up again

News of the proposed cut-back in Kuwaiti oil production from April 1 failed to stimulate much interest in the Oil sector where the leaders drifted back in quiet trading after a firm start. Shell ended 4 firmer at 378p, after 382p, while BP finished without alteration at 402p, after 406p. *Outside of the leaders*, Ultramar eased 6 to 486p and Tricentrol 4 to 298p, but fresh speculative demand pushed Burmah further ahead to 223p before settling at 222p for a rise of 5. Caledonian Offshore rallied 10 to 250p after the previous day's reaction which followed the drilling statement.

Among Shippings, fears that the C. Y. Tung bid may be referred to the Monopolies Commission prompted scattered selling of Furness Withy which eased 5 to 368p. The trend elsewhere was also to *lower levels*, Hunting Associated easing 7 to 308p and Common Bros, a few pence more to 290p.

Carrington Viyella closed 1½ lower at 16 on disappointment with the sharply reduced preliminary profits and dividend. Elsewhere in Textiles, Nottingham Manufacturing, at 83p, lost 2 of the recent gains stemming from the annual results. Blackwood Morton shed a further penny to 17p, while scattered offerings left Carpets International 2 lower at 30p.

The lower commodity price prompted weakness in Rubbers. Castlefield fell 15 to 535p, while Guthrie declined 20 to 805p. Malaysia Rubber, 237p, and Highlands, 107p both gave up 6, while among Teas, Lunuva dipped 10 to 380p.

Heavy falls in Mines

Mining markets sustained a sharp setback as a heavy fall in the bullion price sparked off a general decline in other metals, notably copper and platinum.

The weakness of gold — down $21 more to $627.50 an ounce, after a low of $602.50, led to a markdown of prices of South African Golds at the outset. Thereafter, they gave further ground owing to persistent, although by no means heavy, selling.

A steadier trend in gold in the after-hours trading prompted a modest rally which left share prices marginally above the day's lowest. The Gold Mines index registered a fall of 22.4 at 329.4.

Heavyweights showed losses ranging to £2¼ as in Randfontein, £31½, while falls of a point and more were sustained by Winkelhaak, £12¾, Kloof, £13¾, Western Deep, £17½, and President Steyn, £15¼.

Medium- and lower-priced issues showed Libanon 107 off at 943p, Harmony 88 cheaper at 834p and South African Land 99 down at 351p.

Financials followed the pattern in Golds. In the South Africans, Anglo American dropped 51 to 604p, De Beers 28 to 516p and Union Corporation 25 to 660p.

Heavy selling of London Financials was reported. Rio Tinto-Zinc dropped to 438p before *closing 20 lower on balance* at 440p, while Selection Trust gave up 26 to 752p, Gold Fields 10 to 500p, after 494p, and Charter 11 to 172p, after 170p.

Falls of around 10 were common to Platinums where Impala closed at 310p and Rustenburg at 264p. Coppers declined across the board.

Australians suffered heavy losses as speculators moved out of the recent high-flyers. Among the latter Samantha gave up 17 to 140p, Magnet and Lennard fell 15 apiece to 54p and 90p respectively, Monarch dropped 8 to 35p and Paringa 13 to 65p, the last-named despite news that Hampton Areas had acquired almost 15 per cent of the company's equity.

Falls in the high-quality Australians were less severe. MIM Holdings gave up 22 to 270p, Bougainville 12 to 202p and Western Mining 10 to 238p.

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	350	64	1	—	—	—	—	402p
BP	360	—	—	70	—	80	1	"
BP	390	—	—	56	—	64	1	"
BP	420	—	—	38	20	48	1	"
BP	440	12	5	—	—	—	—	"
Com. Union	140	8	8	14	—	19	—	141p
Cons. Gold	420	82	10	104	—	—	—	499p
Cons. Gold	460	46	32	74	—	104	—	"
Cons. Gold	500	24	47	48	—	74	—	"
Cons. Gold	550	11	22	28	5	48	11	"
Courtaulds	70	8½	—	12	10	14½	5	75p
GEC	360	41	5	59	—	73	—	382p
GEC	390	20	10	39	—	54	—	"
Grand Met.	160	1½	—	6	3	—	—	155p
ICI	360	40	1	39	—	70	—	391p
ICI	390	25	—	44	—	51	1	"
ICI	420	14	7	29	—	38	—	"
Land Secs.	300	15	26	26	—	38	—	294p
Marks & Sp.	90	7½	—	12½	17	15	—	90p
Shell	330	50	9	64	—	74	—	375p
Shell	360	32	7	44	—	54	—	"
Shell	390	17	37	27	61	38	—	"
Totals			227		106		20	
		February		May		August		
Boots	220	¼	8	—	—	—	—	181p
EMI	90	46	3	—	—	—	—	136p
EMI	120	16	6	23	—	—	—	"
EMI	130	6	11	13	—	—	—	"
EMI	140	1	66	6	—	—	—	"
Imperial Gp.	70	15½	8	13½	—	15	—	85p
Imperial Gp.	80	3½	9	6	—	8	—	"
Imperial Gp.	90	¼	110	2	—	—	—	"
Imperial Gp.	100	¼	1	1	—	—	—	"
Racal Elec.	200	13	2	29	—	38	—	212p
Racal Elec.	220	¼	27	18	15	28	—	"
Racal Elec.	240	¼	195	10	—	18	—	"
RTZ	330	110	30	129	8	148	—	437p
RTZ	390	50	—	75	10	103	9	"
RTZ	420	20	8	50	21	82	11	"
RTZ	460	—	—	29	12	60	—	"
RTZ	500	—	—	15	14	40	8	"
Totals			484		80		28	

FINANCIAL TIMES STOCK INDICES

—	Feb. 20	Feb. 19	Feb. 18	Feb. 15	Feb. 14	Feb. 13	A year ago
Government Secs.	65.96	65.96	65.80	66.02	66.97	67.06	68.31
Fixed Interest	66.94	66.94	66.74	67.07	67.64	67.40	67.92
Industrial	458.3	461.8	463.0	462.6	473.9	478.5	456.9
Gold Mines	327.1	351.6	347.4	349.7	358.3	353.8	180.5
Ord. Div. Yield	7.25	7.18	7.17	7.18	7.01	6.92	6.20
Earnings, Yld. % (full)	17.82	17.67	17.63	17.65	17.29	17.06	16.19
P/E Ratio (net) (*)	6.87	6.93	6.95	6.94	7.11	7.18	8.00
Total bargains	18,991	18,217	18,918	24,698	27,606	25,561	—
Equity turnover £m	—	86.05	98.35	145.06	198.07	154.04	87.00
Equity bargains total	—	13,994	14,501	21,186	22,688	19,198	16,956

10 am 459.2. 11 am 461.3. Noon 460.8. 1 pm 460.8.
2 pm 460.3. 3pm 459.3.

Latest Index 01-246 8026.

* Nil=6.61.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979/80 High	1979/80 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.91 (4/5)	63.50 (10/12)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/6)	64.06 (15/11)	150.4 (28/11/47)	50.53 (5/1/75)
Ind. Ord.	558.6 (4/5)	406.3 (15/11)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	360.4 (18/1/80)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 20	Feb. 19
—Daily		
Gilt Edged	119.9	110.1
Industrials	125.6	111.6
Speculative	70.0	47.2
Totals	86.7	76.9
5-d'y Av'r'ge		
Gilt Edged	118.1	119.6
Industrials	131.9	134.6
Speculative	72.0	76.5
Totals	92.3	96.0

NEW HIGHS AND LOWS FOR 1979/80

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979-80

NEW HIGHS (12)

CANADIANS (1)
Gulf Oil Canada
STORES (2)
Polly Peck / Pullman (R. & J.)
ELECTRICALS (2)
Newmark (L.) / Unitech
FOODS (1)
Morgan Edwards
INDUSTRIALS (1)
Blundell-Permoglaze
TRUSTS (1)
Park Place Inv.
OIL & GAS (2)
Burmah Oil / Ultramar 7pc. Conv.
MINES (2)
Barymin / Malay. Dredging

NEW LOWS (10)

STORES (1)
Blackman & Conrad
ENGINEERING (2)
Norton (W. E.) / Ratcliffe Inds.
INDUSTRIALS (5)
Baxter Travenol / Manch. Ship Canal
I.C. Industries / Platignum
Maddock
PAPER (1)
L.C.A. Hldgs.
OVERSEAS TRADERS (1)
Great Northern

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	39	11	40
Corporations, Dom. and Foreign Bonds	7	3	58
Industrials	129	387	882
Financial and Prop.	36	188	273
Oils	11	17	15
Plantations	—	17	11
Mines	12	102	38
Others	37	52	73
Totals	271	777	1,386

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Wed., Feb. 20, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., Feb. 19 Index No.	Mon., Feb. 18 Index No.	Fri., Feb. 15 Index No.	Thurs., Feb. 14 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	243.21	−1.0	17.97	6.43	7.02	245.57	244.72	245.55	250.52	226.35
2	Building Materials (27)	236.91	−0.8	16.76	6.62	7.62	238.75	237.39	238.70	244.27	199.92
3	Contracting, Construction (29)	368.47	−1.1	25.55	6.58	4.86	372.75	371.40	372.20	375.33	339.13
4	Electricals (15)	629.58	−1.0	12.84	3.94	10.37	635.90	632.70	625.75	642.77	542.92
5	Engineering Contractors (11)	296.80	−1.1	24.95	8.62	5.18	300.01	299.58	303.86	306.54	346.71
6	Mechanical Engineering (74)	167.36	−0.8	20.52	7.79	6.04	168.63	167.85	170.27	173.75	174.19
8	*Metals and Metal Forming (16)*	*162.10*	*−1.5*	*21.00*	9.37	5.69	164.51	*165.67*	*167.91*	*169.27*	155.76
	CONSUMER GOODS										
11	(DURABLE) (50)	220.50	−0.8	16.21	5.55	7.61	222.26	221.75	220.99	222.98	207.80
12	Lt. Electronics, Radio, TV (15)	310.55	−1.0	12.39	4.15	10.36	313.59	313.00	310.64	312.17	272.14
13	Household Goods (14)	113.55	−0.9	26.85	9.66	4.45	114.60	114.18	113.45	114.85	158.84
14	Motors and Distributors (21)	111.26	−0.3	24.08	8.38	4.90	111.59	111.23	112.16	114.33	113.48
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	219.57	−0.6	18.44	6.96	6.69	220.89	219.98	219.34	225.14	209.10
22	Breweries (14)	261.55	+0.4	17.08	6.68	6.87	260.44	257.86	257.95	262.21	224.12
23	Wines and Spirits (5)	289.29	−0.7	18.76	6.40	6.58	291.45	292.39	292.05	298.12	297.54
24	Entertainment, Catering (17)	302.84	−1.3	18.43	6.93	6.79	306.96	304.67	303.09	312.47	275.94
25	Food Manufacturing (19)	202.43	−0.6	20.00	7.20	6.18	203.58	203.49	203.62	208.78	197.68
26	Food Retailing (15)	301.06	−1.4	13.80	4.98	8.65	305.39	301.95	302.09	308.22	237.95
32	Newspapers, Publishing (13)	447.56	−0.4	22.55	6.71	6.05	449.18	450.01	449.85	455.38	382.12
33	Packaging and Paper (15)	129.50	−1.2	22.99	8.77	5.60	131.06	131.52	131.79	134.86	134.01
34	Stores (43)	216.17	−0.6	14.23	5.27	9.08	217.50	216.17	215.10	222.29	193.31
35	*Textiles (24)*	132.95	−1.3	*27.10*	*11.97*	4.67	134.65	133.98	132.70	134.43	*169.85*
36	Tobaccos (3)	209.34	+0.3	27.74	11.24	4.09	208.76	208.16	207.09	214.38	243.89
37	Toys and Games (5)	39.62	−0.7	37.96	12.81	3.24	39.91	45.55	46.23	46.42	90.48
41	OTHER GROUPS (97)	209.16	−0.9	15.21	6.49	7.96	211.02	211.61	211.23	215.44	195.77
42	Chemicals (17)	309.57	−1.0	15.88	6.51	7.27	312.81	315.45	309.46	314.46	281.72
43	Pharmaceutical Products (7)	212.15	−0.6	12.00	6.03	10.16	213.39	213.88	215.41	219.22	240.41
44	Office Equipment (6)	118.84	−0.3	17.79	6.88	6.54	119.17	118.38	119.22	123.10	125.51
45	Shipping (10)	473.82	−0.7	11.17	6.82	11.42	477.30	479.44	484.88	494.05	406.18
46	*Miscellaneous (57)*	246.44	−1.0	16.37	6.56	7.74	248.95	248.71	250.36	255.99	212.48
49	INDUSTRIAL GROUP (492)	230.23	−0.8	17.37	6.61	7.11	232.02	231.50	231.29	236.37	216.84
51	*Oils (8)*	812.41	+0.4	13.83	5.87	7.81	809.25	804.15	797.45	813.64	556.74
59	500 SHARE INDEX	276.07	−0.5	16.59	6.44	7.26	277.51	276.64	275.94	281.90	244.60
61	FINANCIAL GROUP (117)	195.76	−1.7	—	5.69	—	199.04	198.98	198.47	203.13	171.23
62	Banks (6)	227.47	−1.9	36.56	5.71	3.49	231.97	232.32	230.96	235.19	204.80
63	Discount Houses (10)	229.66	−3.2	—	8.87	—	237.19	241.76	241.76	240.75	223.46
64	Hire Purchase (5)	178.13	−0.2	18.67	5.34	6.98	178.42	178.42	177.53	181.92	158.42
65	Insurance (*Life*) (10)	167.99	−2.3	—	6.26	—	171.91	172.05	170.15	176.53	128.36
66	Insurance (Composite) (9)	126.08	−3.2	—	7.71	—	130.22	130.29	130.34	133.63	118.04
67	Insurance Brokers (10)	279.00	−1.2	17.70	7.03	8.12	282.35	281.56	282.67	287.68	301.99
68	Merchant Banks (14)	105.27	−0.5	—	5.75	—	105.83	105.65	105.75	106.46	77.82
69	Property (44)	362.03	−0.3	3.70	3.05	38.73	363.20	361.56	360.57	371.49	294.78
70	Miscellaneous (9)	132.83	−0.8	15.64	6.84	8.39	133.85	134.31	135.74	137.13	112.44
71	Investment Trusts (109)	230.24	−0.8	—	5.53	—	232.10	231.91	232.99	241.41	207.66
81	Mining Finance (4)	213.40	−3.6	10.80	4.14	11.24	221.37	221.92	222.35	224.26	123.64
91	Overseas Traders (20)	415.79	−1.8	12.19	6.47	10.05	423.33	422.05	424.47	436.51	326.02
99	ALL-SHARE INDEX (750)	258.40	−0.9	—	6.19	—	260.63	260.02	259.55	265.40	225.65

FIXED INTEREST PRICE INDICES

	British Government	Wed., Feb. 20	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	99.98	+0.21	—	2.10
2	5-15 years	104.07	+0.16	—	2.08
3	Over 15 years	108.64	−0.04	—	1.53
4	Irredeemables	129.33	—	—	0.00
5	All stocks	104.07	+0.10	—	1.81

FIXED INTEREST YIELDS British Govt. Av. Gross Red.

			Wed., Feb. 20	Tues., Feb. 19	Year ago (approx.)
1	Low Coupons	5 years	12.92	12.93	10.29
2		15 years	12.74	12.73	12.11
3		25 years	12.74	12.73	12.92
4	Medium Coupons	5 years	14.87	14.97	13.17
5		15 years	14.28	14.29	13.57
6		25 years	14.14	14.12	13.58
7	High Coupons	5 years	15.01	15.11	13.41
8		15 years	14.64	14.64	14.11
9		25 years	14.59	14.57	14.12
10	Irredeemables		11.50	11.50	12.50

		Wed., Feb. 20 Index No.	Wed., Feb. 20 Yield %	Tues. Feb. 19	Mon. Feb. 18	Fri. Feb. 15	Thurs. Feb. 14	Wed. Feb. 13	Tues. Feb. 12	Mon. Feb. 11	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	51.04	†14.49	51.05	51.06	51.10	51.18	51.25	51.18	51.28	51.38
16	Investment Trust Prefs. (15)	48.36	13.90	48.34	48.29	48.20	47.66	47.86	47.77	47.82	48.68
17	Coml. and Indl. Prefs. (20)	61.61	14.53	61.70	61.70	61.71	61.81	61.87	61.80	61.86	68.28

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979-80 high	1979-80 low
RTZ	25p	12	440	−20	492	226
Shell Transport	25p	9	378	+ 4	402	278
Burmah Oil	£1	8	222	+ 5	223	82
Charter Cons.	2p	8	172	−11	198	69
ICI	£1	8	390	− 5	415	314
Debenhams	25p	7	84	—	98	59
Unilever	25p	7	453	—	680	448
Western Mining	$A0.50	7	238	−10	268	121
BP	25p	6	402	—	414	220½
Cons. Gold Fields	25p	6	500	−10	617	178
GEC	25p	6	380	− 3	456	311
GKN	£1	6	255	− 3	308	226
Racal Electronics	25p	6	214	− 2	276	168½
Thorn Elect.	25p	6	316	− 2	482	262
Tube Invs.	£1	6	298	− 6	436	250

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb. 4	Feb. 15	May 8	May 19
Feb. 18	Feb. 29	May 9	Jun. 9
Mar. 3	*Mar. 14*	*Jun. 12*	*Jun. 23*
Mar. 17	Mar. 28	Jun. 26	Jul. 7

For rate indications see end of Share Information Service

Money was given for the call in BSR, Hidong Rubber, John Brown, Woodside, Coral Leisure, Burmah, Premier Oil, Charterhall, Stocklake, Endeavor, C. T. Bowring, KCA, Ladbroke Warrants, Mining Supplies, Laurence Scott, RTZ, Town and City, *Queens Moat Houses* and Smith Bros. Puts were done in Dunlop, RTZ and De Beers Deferred, while doubles were arranged in British Land, Burmah and Cons. Gold Fields.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
£1	F.P.	21/3	102	100	Child Health Res'ch.	101	−1	—	—	—	—
§80	F.P.	7/3	108	98½	Emess Lighting	107	+1	b6.0	3.0	8.0	4.8
10	F.P.	28/2	11	10	Keep Inv. Trust 5p	10¼	......	—	—	—	—
**	F.P.	7/3	88	72	Lon.Merc'tSecs.Defd	72	......	—	—	—	—
‖‖	F.P.	—	£27	£24½	Wereldhave NVDFL20	£24½	......	QFl.6	1.1	5.5	16.4

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979/80 High	1979/80 Low	Stock	Closing Price	+ or −
¶¶	F.P.	—	37p	36½p	Aurora 3.85% Cum. Pref.	36½p	......
‖120p	F.P.	15/2	121pm	100p	Clifford (Chas.) 12% Cum. Pref.	116p	+6
¶	F.P.	30/5	98	94	Felixstowe Dock 9¾% Cum Red Pref.	94	......
**	F.P.	8/2	88p	85p	Hewitt (J.) 10% Cum. Pref.	85p	......
¶	£10p	24/4	9	8½	Rk'm'nw'h & Uxbridge Wtr. 9%RdPf 1985.	8½	−½

"RIGHTS" OFFERS

Issue Price p:	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1979/80 High	1979/80 Low	Stock	Closing price p:	+ or −
$23.60	Nil	—	—	15pm	10½pm	Bank of Montreal	13pm	−2
55½	Nil	22/2	28/3	36pm	25pm	Edwards (Louis C.)	36pm	......
40	F.P.	28/1	29/2	101pm	69pm	Elson & Robbins	100pm	......
60	F.P.	3/1	24/1	845	660	Hammerson Prop. A	820	−10
A$1	Nil	—	—	46pm	20pm	Hanimex Corp	20pm	......
60cts	Nil	—	—	435pm	190pm	Pancontinental	370pm	−10
25	F.P.	20/2	12/5	66	57	Paringa	68	+1
35p	F.P.	21/2	13/3	94	60	Premier Cons. Oilfields	74	−1
R3.50‡‡	Nil	—	—	30pm	4pm	Rand London Coal Units	10pm	−6

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

LEADERS AND LAGGARDS

The following table shows the percentage changes † which have taken place since December 31, 1979, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

Mining Finance	+ 36.69	Entertainment and Catering	+ 12.25
Gold Mines FT	+ 30.98	Industrial Group	+ 11.71
Overseas Traders	+ 27.38	Pharmaceutical Products	+ 9.98
Electronics, Radio and TV	+ 22.43	Insurance (Life)	+ 9.93
Investment Trusts	+ 20.58	Financial Group	+ 9.15
Building Materials	+ 20.47	Cons. Goods (Non-Durable) Group	+ 8.42
Merchant Banks	+ 17.92	Discount Houses	+ 8.16
Newspapers and Publishing	+ 16.91	Hire Purchase	+ 7.92
Consumer Goods (Durable) Group	+ 16.74	Motors and Distributors	+ 7.69
Oils	+ 16.21	Textiles	+ 7.23
Electricals	+ 15.89	Food Manufacturing	+ 7.06
Capital Goods Group	+ 15.07	Insurance (Composite)	+ 7.03
Office Equipment	+ 14.84	Insurance Brokers	+ 6.53
Contracting and Construction	+ 14.79	Banks	+ 6.28
Property	+ 14.67	Tobaccos	+ 4.92
Stores	+ 13.77	Engineering Contractors	+ 4.29
Packaging and Paper	+ 13.72	Food Retailing	+ 3.86
Metal and Metal Forming	+ 13.53	Breweries	+ 3.01
All-Share Index	+ 13.42	Wines and Spirits	− 0.57
Other Groups	+ 12.74	Household Goods	− 1.55
500 Share Index	+ 12.67	Toys and Games	− 16.14
Chemicals	+ 12.64		
Mechanical Engineering	+ 12.59		
Shipping	+ 12.54		

† Percentage changes based on Tuesday, February 19, indices.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561
Lloyds Tst. O'seas ... 59.1 62.6 ... 1.79
Next dealing February 21.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. US$9.71 9.92 ... —
Prices on Jan. 14. Next dealing Feb. 20.

Royal Trust (C.I.) Fd. Mgt. Ltd.
P.O. Box 194, Royal Tst. Hse., Jersey. 0534 27441
R.T. Int'l. Fd. US$11.12 11.83 ... 2.17
R.T. Int'l. (Jsy.) Fd. 83.0 89.0 ... 3.48
Prices Feb. 19. Next dealing Feb. 26.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund ... 91.0 93.0 ... 12.90
TSBGiltFd.(Jsy.) ... 91.0 93.0 ... 12.90
Prices on February 20. Next sub. day February 27.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share Feb. 18 US$71.13.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	49.0	51.8	-0.1	1.93
Abbey Capital	36.5	37.4	-0.2	5.60
Abbey General	47.6	50.9	-0.2	5.81
Abbey Gilt & F.I. Tst.	99.5	105.8	-0.2	4.73
Abbey Income	41.9	45.2	-0.2	8.53
Abbey Intl. Bd. Tst.	92.6	97.0	+0.3	5.67
Abbey Inv. Tst. Fnd.	38.7	41.8	-0.1	5.67
Equitas Prog. Trust	70.9	76.7	-0.3	5.67

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	90.3	95.1xd	.....	13.01

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	76.5	81.9xd	-0.3	5.86
Brit. Inds. Fund	70.1	75.0	-0.2	6.00
Growth & Income	41.8	44.7	-0.2	5.64
Elect. & Ind. Dev.	38.6	41.3	-0.1	5.08
Allied Capital	78.1	83.6	-0.3	5.36
Hambro Fund	119.6	128.0	-0.7	5.74
Hambro Acc. Fund	146.1	156.3	-0.6	5.37

Income Funds

High Yield Fd.	69.3	74.2xd	-0.2	9.97
High Income	72.3	77.4	-0.3	7.62
A. H. Eq. Inc.	41.5	44.4xd	-0.2	7.86

International Funds

International	29.3	31.4xd	-0.2	3.45
Pacific Fund	48.1	51.5	-0.6	2.40
Secs. Of America	60.8	65.1	-0.6	2.15

Specialist Funds

Smaller Co.'s Fd.	48.4	51.8	-0.1	4.54
2nd Smlr. Co's Fd.	58.2	62.3	-0.1	4.57

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Dis. Inc. Feb. 8	210.2	224.2	.....	5.31

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.7	19.6xd	.....	7.07
Gt. Winchester O'seas	20.8	23.1xd	.....	4.78

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	76.4	82.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	76.8	80.8	-0.3	4.88

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	26.6	28.1	-0.1	1.00
Fixed Interest	25.3	26.7	-0.2	12.10
Growth + Income	29.3	30.9	+0.1	7.8
Special Sits.	29.2	30.8	-0.2	3.00

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	28.9	31.1	-0.3	2.19
Accum. Units	35.1	37.7	-0.4	2.19
J. Finlay High Income	34.4	37.0	+0.1	9.40
J. Finlay Euro. Fin.	23.4	25.2	+0.4	3.37
Accum. Units	28.9	31.1	+0.4	3.37
J. Finlay Fd. In. Tst.	33.0	35.5	-0.5	5.46
Accum. Units	39.8	42.8	-0.7	5.46

Prices on February 20. Next dealing February 27.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American	53.0	56.8	.....	1.28
American Turnaround	53.2	56.4	.....	2.00
Capital Tst.	55.2	57.6	-0.4	4.71
(Accum. Units)	54.2	57.6	-0.4	4.71
Extra Income Trust	48.4	51.4	-0.2	10.20
Income Tst.	38.0	40.4	-0.2	8.24
Int. Growth Fd.	44.8	47.6	-0.2	2.11
(Accum. Units)	47.2	50.2	-0.2	2.11

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	49.8	53.2	-0.3	4.78
Do. Accum.	68.6	73.3	-0.4	4.78

Funds in Court*

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979-80 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years).				
99 13/16	95 7/8	Treasury 9pc 1980‡‡	99 15/32	......	—	—
99 7/16	95 1/16	Treasury 9½pc '80‡‡	98 1/2	......	9.66	16.76
97	92 3/4	Treasury 3½pc '77-80	96 5/8	+1/8	3.62	14.60
97 3/8	92 7/8	Funding 5¼pc '78-80‡‡	96 7/8	+1/8	5.42	15.47
103 5/8	97 1/2	Exchequer 13pc 1980‡‡	98 1/4	+1/16	13.23	15.29
102 7/8	95 3/8	Treasury 11½pc 1981‡‡	97 1/4	+1/16	11.83	14.75
93 3/4	88 7/8	Treasury 3½pc 1979-81	92 1/8	......	3.80	12.20
99 11/16	92 3/16	Treasury 9¾pc 1981‡‡	93 15/16	+1/16	10.38	15.82
96 3/4	89 1/2	Exch. 8¼pc 1981	91 11/16	+1/16	9.00	15.31
99 11/16	91 1/4	Exch. 9½pc 1981	92 13/16	+1/16	10.24	15.18
91 1/4	84 3/4	Exch. 3pc 1981	88 1/4xd	......	3.40	11.68
98 3/16	94 1/2	Treas. Variable '81§§	96 13/16	+1/16	17.19	18.71
104 1/16	95 3/16	Exch. 12¾pc 1981‡‡	95 13/16	+1/4	13.29	15.38
96 7/8	87 1/4	Treas. 9½pc '80-82‡‡	89 3/16	+1/16	9.50	15.04
89 1/2	82	Treasury 3pc '82‡‡	85 1/4	+1/8	3.50	11.19
108 3/8	96 3/8	Treasury 14pc '82‡‡	98 3/16xd	+1/4	14.24	15.02
97 1/4	92 7/8	Treas. Variable '82§§	94 1/4	+1/8	17.59	19.49
95 1/4	85 1/4	Treasury 8¼pc '82	87 3/8	+1/16	9.44	14.72
97 1/4	85 1/16	Exch. 9¼pc 1982	87 3/4xd	+1/16	10.54	15.17
95 7/8	84 3/8	Exch. 8¾pc 1983	86 5/16	+1/16	10.14	14.72
86 1/4	76 1/4	Exch 3pc '83	78 1/4xd	+1/8	3.84	11.87
104 3/8	90 1/4	Treasury 12pc 1983‡‡	92 3/16xd	+1/4	13.00	15.26
95	90 1/8	Treas. Variable '83§§	91 3/16	+1/16	18.27	20.41
97 1/4	82 13/16	Treasury 9½pc '83	85 11/16	+1/16	10.88	14.73
60 1/8	57 1/4	Exch 13½pc '83 £60pd.	58 11/16	+1/16	14.15	15.11
98 1/16	83 1/2	Exch. 10pc 1983	85 11/16	+1/16	11.67	15.03
89 1/2	76	Funding 5½pc '82-84‡‡	77 3/4	......	7.07	12.92
97 3/4	86 1/16	Exch. 11¼pc 1984	88 11/16xd	+1/16	12.68	15.11
98 5/8	94 1/4	Exchequer 14pc 1984	95 11/16	+1/16	14.63	15.46
77 1/4	68 3/4	Exch. 3pc 1984	69 13/16	......	4.29	12.12
101 1/4	87 1/4	Treasury 12pc 1984	89 1/4xd	+1/4	13.37	15.20

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

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[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Public Board and Ind.

[illegible]

Financial

84 1/2	77 1/2	ICFC 5½pc Deb. '80-82	82	......	6.90	15.33
85	69	Do. 6¼pc Db. '81-84	73	−1/2	8.79	15.00
99	79 1/2	Do. 10½pc Uns. Ln. '86	85	......	12.55	14.75
99	77	Do. 11pc Uns. Ln. '88	84 1/2	......	13.24	14.25
101 1/2	80	Do. 11¾pc Uns. Ln. '90	85 1/2	......	14.00	14.90
72 1/2	54 1/2	Do. 7¼pc A Deb. '89-92	53 1/2	......	12.79	14.85
69	51 1/2	Do. 7¼pc A Db. '91-94	58	......	13.26	15.00
72	64	Do. 9pc 'A' '91-94	70	......	13.61	14.70
75 1/2	61	Do. 8¾pc Ln. '92-97	63xd	......	14.08	14.75
102	85	Do. 13½pc Uns. Ln. 1992	86 1/2xd	......	14.45	14.95

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

£18 1/2	900	C'hgn. Hbk. Kr100	975	......	Q15%	—	13.6	—
41	20	Corinthian 10p	35	......	†1.05	5.9	4.3	4.0
£24 3/4	£15	Cred. France F75	£17 1/8	......	Q9.87%	—	3.8	—
13	5	Dawes (G. R.)	13	......	—	—	—	—
*£119 1/2	£62 1/2	Deutsche Bank DM50	£66	......	Q28.12%	—	5.6	—
90	55	F. C. Finance	63	......	2.2	4.9	5.0	5.8
17	5 1/4	First Nat. 10p	15 1/4	+1/4	—	—	—	0.9
4	1 1/2	Do. Wrrts. 75-83	2	......	—	—	—	—
266	178	Gerrard Natnl.	226	−4	†9.12	—	5.8	—
82	38	Gibbs (A.)	60	......	2.2	—	3.9	—

BANKS & HP—Continued

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

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INDUSTRIALS (Miscel.)

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India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
430	97	Coronation	370	−15	Q54c	2.2	8.4
680	132	Falcon Rh.50c.	630	−10	Q100c	1.7	10.9
48	11	Rhod'n Corp. 16²⁄₃p.	40	−1	0.56	6.5	2.0
267	70	Roan Cons. K4	230	−12	Q0.125	ϕ	3.3
67	26	Wankie Col. Rh.1	58	......	Q9c	1.5	10.7
57	9	Zam.Cpr.SBD0.24	47	−1	—	—	—

AUSTRALIAN

TINS

COPPER

230	56	Messina R0.50	210	−15	Q10c	ϕ	2.7

MISCELLANEOUS

1979-80 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
155	78½	Anglo-Dominion	148	+7	—	—	—
87	54	Barymin	87	+2	—	—	—
14½	10	Burma Mines 17½p	14½	......	—	—	—
502	170	Cons. Murch. 10c.	480	......	Q100c	ϕ	11.9
585	280	Northgate C$1	495	+5	—	—	—
492	226	R.T.Z.	440	−20	†11.5	3.4	3.7
31	12	Robert Mines	23	+1	—	—	—
65	26	Sabina Inds. C$1	47	−1	—	—	—
880	470	Tara Exptn. $1	643	−7	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend: cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♀ Excluding a final dividend declaration.
- ÷ Regional price.
- Ⅱ No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

" Recent Issues " and " Rights " Page 38

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £900 per annum for each security

REGIONAL MARKETS

OPTIONS
3-month Call Rates

Industrials					
A. Brew	8	I.C.I.	32	Utd. Drapery	9
BOC Intl.	6	"Imps"	7	Vickers	14
B.S.R.	5	I.C.L.	45	Woolworths	6½
Babcock	12	Inveresk	5	**Property**	
Barclays Bank	30	Ladbroke	15	Brit. Land	7
Beecham	13	Legal & Gen.	14	Cap. Counties	9
Blue Circle	25	Lex Service	10	Land Secs.	25
Boots	17	Lloyds Bank	24	MEPC	17
Bowaters	16	"Lots"	3½	Peachey	13
B.A.T.	25	London Brick	6	Samuel Props.	12
Brown (J.)	7	Lucas Inds.	20	Town & City	2
Burton 'A'	22	"Mams"	14	**Oils**	
Cadburys	5½	Mrks. & Spncr	9	Brit. Petroleum	38
Courtaulds	8	Midland Bank	30	Burmah Oil	20
Debenhams	8	N.E.I.	5	Charterhall	12
Distillers	21	Nat. West. Bank	32	KCA	11
Dunlop	5½	P & O Dfd.	9	Premier	12
Eagle Star	14	Plessey	16	Shell	35
F.N.F.C.	2½	Racal Elect.	20	Tricentrol	35
Gen. Accident	21	R.H.M.	4½	Ultramar	50
Gen. Electric	30	Rank Org.	18	**Mines**	
Glaxo	40	Reed Intnl.	17	Charter Cons.	18
Grand Met.	12	Sears	5½	Cons. Gold	52
G.U.S. 'A'	30	Tesco	7	Lonrho	12
Guardian	23	Thorn	25	Rio T. Zinc	35
G.K.N.	22	Trust Houses	14		
Hawker Sidd.	16	Tube Invest.	27		
House of Fraser	12	Unilever	40		
		U.D.T.	4		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Thursday February 21 1980

No extra powers needed say police

By Richard Evans and John Lloyd

REPRESENTATIVES of Britain's 43 chief police officers told Mr. William Whitelaw, the Home Secretary, yesterday that they did not require extra powers to cope with industrial picketing.

Mr. Alan Goodson, Chief Constable of Leicester and president of the Association of Chief Police Officers, said after the meeting that the police had to draw a distinction between a picket which had immunity from civil action and a demonstration, which had none.

"When you get thousands of people turning up to a picket, it is no longer a picketing situation, it is a demonstration situation.

"What is needed is not a change in the law, but a change in attitude on the part of the public. Some sections of the public are going beyond the bounds of the law.

Mr. Goodson said that it was wholly wrong to suggest that the police were on one side and workers on the other.

"The police are unrelated to workers or management in a dispute. The independence of the police is a difficult and sensitive issue to maintain, but the sole thing we are concerned with is the public order."

The law gave police officers wide discretion, and they must operate it in such a way as to ensure that picketing did not deteriorate into intimidation. "That is the decision of the officer on the spot, and it is a fine judgment," Mr. Goodson said.

Mr. Whitelaw told the police chiefs in the hour-long meeting that they had the full support of the Government in measures taken to control unlawful picketing.

The Government's view remains that the criminal law should be enforced more actively wherever possible, but that decisions will be left strictly to police chiefs.

There are, however, some aspects of the criminal law which concern the chief constables, and they will present their views to the Commons Select Committee on Home Affairs, which is reviewing the Public Order Act of 1936.

In a submission to the select committee earlier this week Sir David McNee, the Metropolitan Police Commissioner, argued for tougher measures to control demonstrations, including stiffer penalties for breaches of public order and a new offence covering throwing of missiles at public gatherings.

Sir David also drew a sharp distinction between peaceful picketing and "massed" picketing, which he said should be considered a demonstration.

Pickets fail to stop Sheerness production

BY ALAN PIKE, LABOUR CORRESPONDENT

SHEERNESS STEEL—the only private steel works to have defied union instructions and continued working through the national steel strike—was the scene of day long demonstrations and counter demonstrations yesterday.

About 1,300 pickets from throughout the country, descended on the works before dawn in a bid to persuade the 800-strong workforce of the Canadian-owned company to withdraw their labour.

Police launched a huge operation on the Thames Estuary island which can be reached only by a single swing bridge. Coaches bringing pickets were stopped and checked on the outskirts of Sheerness and the entire operation involved 1,000 officers.

During a series of scuffles with police, there were 21 arrests and five people were taken to hospital with minor injuries.

But although the mass picket prevented lorries attempting to enter or leave the plant, the work continued normally, and 1,000 of the workers' wives and supporters marched around the centre of the Kent town in opposition to the pickets.

The Iron and Steel Trades Confederation has persuaded its members in most private steel works — albeit with varying degrees of enthusiasm — to join the British Steel Corporation strike, and there is deep anger over the Sheerness workers' refusal to do so.

Pickets, including Kent miners as well as steel workers from Yorkshire, the Midlands and Wales, were building up in foce by 5 am.

But many workers were already inside as normal shift patterns had largely been abandoned. Senior management representatives spent the night in the plant and manual workers have stocked up with blankets and food inside in case they are besieged by pickets.

Although no attempt was made to get vehicles through the strong picket lines, some workers claimed that a convoy of lorries had moved 2,000 tonnes of steel from the plant during the night before the demonstrators arrived.

Mr. Barry Paine, chief constable of Kent, said that no changes in the pattern of policing for the operation had been made following the reminder by Sir Michael Havers, the Attorney General, on Tuesday, that mass picketing can conflict with the criminal law."

Most of those arrested were charged with obstruction or assault on the police. Some appeared in court during the day and were fined between £25 and £75. Union officials said that in a small number of incidents there had been suggestions of over-reaction by the police and formal complaints would be lodged if these appeared justified.

TUC agrees to see Prior

BY NICK GARNETT

THE TUC's employment policy and organisation committee agreed yesterday to see Mr. Jim Prior, the Employment Secretary, to discuss the Government's working paper on secondary industrial action, published on Tuesday, although no date has yet been set.

Mr. Prior, speaking later yesterday at the employment select committee held out the prospect of a Green Paper this year explaining more fully new legislation on secondary action.

He also hinted at the possibility of further legislation on this issue if the current proposed changes succeeded.

Members of the TUC committee were uncompromising about the working paper and decided that the forthright letter earlier this week from Mr. Len Murray, TUC general secretary to Mr. Prior will not only be endorsed but would also be sent to all affiliated unions.

The letter, in which Mr. Murray told Mr. Prior that the proposed legislation would lead to greater social and industrial unrest, will accompany a critique, drawn up by the TUC, of the working paper.

The committee also took the view that the TUC's campaign to try and put over the unions' attitudes on social and industrial issues should be intensified and there was some discussion of taking out advertisements in national newspapers.

Mr. Prior told the employment select committee that industrial democracy would be at grave risk if the Government passed industrial legislation which failed. If it was successful, however, and the nation accepted its success the Government would then be in a position to look at building on that legislation.

Industrial relations law could not be a matter of absolute principle, he told MPs. It had to have a strong element of practicality.

Mr. Prior believed that comment following the working paper's publication exaggerated the influence judges could have in interpreting the proposed legislation.

Pay growth rate accelerates

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

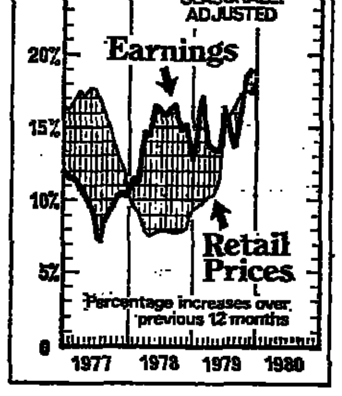
THE RATE of growth of average earnings has reached its highest level since spring 1976, with the rate accelerating over the last few months as the increased wage rises of the current pay round have worked through.

Last year saw a 19.6 per cent rise in the average earnings of the 21m workers covered by the Employment Department index published yesterday. By December the index stood at 165.0 (January 1976=100).

This probably overstates the trend since changes in the timing of pay settlements in the current round and arrears of backpay to gas supply and Post Office workers may have added ¾ of a point to the rate.

So officials reckon that the underlying rate of increase is just under 19 per cent. But this compares with 18 per cent in November, 15 to 16 per cent in the late summer and under 15 per cent last spring.

The 12-month rate is likely to continue rising as the higher pay settlements of the round replace the generally lower ones of a year ago. There does not, however, appear to have been a significant acceleration in the level of wage increases from one pay deal to another within the wage round. Hence there is not, at least yet, the runaway pay explosion of 1974-75 when the 12-month rate exceeded 30 per cent.



But the rising trend of earnings naturally means that it will take much longer than hoped to reduce the rate of price inflation and the consequent cost pressures for companies will intensify the financial squeeze.

Earnings are rising faster than retail prices—up 17.2 per cent during 1979 and by 18.4 per cent in the year to January—so real take-home pay is still holding up.

The rate of increase of earnings is also being pushed up by the phased implementation of the Clegg pay comparability awards in the public sector. Which may add about 2 percentage points over the year to this summer.

The 12-month rate for January, due to be announced in a month's time, could show a marked rise, as the comparable month last year was depressed by bad weather and serious industrial disputes.

The older index of average earnings covering about 11m employees, mainly in production industries, rose 2 per cent, seasonally adjusted, between November and December to 416.5 (January 1970=100) for an increase of 19 per cent in the last year.

Nationally-negotiated basic weekly wage rates of manual workers at the end of January were on average 15 per cent higher than a year earlier. During January, the index rose from 320.7 to 325.6.

● The CBI said last night that there had been little change in the level of pay settlements during the past three months and no single going rate had emerged.

Public sector and private company settlements, covering about 6.5m employees reported to the CBI's pay data bank since last August, ranged from 5 per cent to 32 per cent.

A more detailed survey of 277 settlements in 800 manufacturing establishments showed that more than two-thirds were for 17 per cent or less and more than a half were for 15 per cent or less.

Vosper may take £30m claim to Strasbourg

By Robert Cottrell

VOSPER, the Hampshire engineering group, may take its claim for compensation in respect of its nationalised shipbuilding assets to the European Court of Human Rights in Strasbourg.

The company has been negotiating compensation with the Industry Department for almost three years. It is seeking £30m, while the highest offer it has received is £4.5m. Vosper could refer its claim to an independent arbitration tribunal. But, Sir John Rix, chairman, says in a letter to shareholders that if no satisfactory settlement is then obtained, the company will go to Strasbourg.

The £4.5m offer, Vosper says, is "grossly unfair . . . derisory and tantamount to confiscation." The company has so far received only £1.35m on account.

According to Vosper the net tangible assets of its nationalised shipbuilding interests on June 6, 1977—the vesting day of Britishi Shipbuilders—were £25m, including £5.5m each. Turnover and profits were running at vesting day at annual rates of £100m and £8m, and orders then on hand totalled £267m, or two-and-a-half years' work.

The company said it had been advised by counsel that it would have "good prospects of success" in an action at Strasbourg based on Article 1 of the First Protocol of the European Convention of Human Rights, which covers the general principles of international law on deprivation of possession.

Vosper is one of ten companies still seeking compensation for nationalised shipbuilding and aerospace assets.

Continued from Page 1

GM in Europe

According to GM, this should rise to 450 by 1984.

There is also to be expansion of the existing plant at Dundonald which is only just preparing to start production of seat belts. GM was to employ 600 at Dundonald, 11 miles from Kenedy Way, originally a $30m project. Expansion will take the total employed to around 750.

Ultimately, the two facilities will produce seat belts, door latches, window regulators, exterior mouldings and other automotive hardware for GM's European-built cars, and possibly for some vehicles produced in other parts of the world.

Two of the Spanish plants will be in Cadiz where Government financial incentives for investment are about double those in Zarazoza where the third new facility will be placed.

One Cadiz plant will manufacture automotive suspension components while the other will build steering columns, rack and pinion steering gears and front-wheel-drive axles.

The Zaragoza establishment will produce seat trim covers, headliners, instrument panels, consoles, bumper fascia.

In Austria, the new plant, at Vienna, will produce transmissions. The cost of the facility, which will turn out about 385,000 transmissions a year, will be in the region of $300m. But the Austrian Government and the municipality of Vienna between them will contribute about one third of the total.

Mr. Elliott Estes, GM president, said yesterday the new component facilities would be an important part of GM's efforts to develop a strong international components manufacturing network to complement the existing supplier network currently supplying high-quality automotive components.

● In a separate announcement GM said it will invest a further $9.5m in Opel in West Germany "in preparation for more extensive projects in product development and design."

The cash will be spent on a new building at the Ruesselsheim headquarters to accomodate additional engineers and technicians as well as provide more space for existing production engineering staff.

Phone tap Bill proposed

TELEPHONE tapping and eavesdropping were "causing public concern" and must be curbed by legislation, Mr. Bob Cryer (Lab. Keighley) said in the Commons yesterday.

Referring to recent allegations in the New Statesman magazine about telephone tapping by Government departments, and the alleged tapping of the phones of the black participants in the recent Lancaster House conference on Rhodesia Mr. Cryer outlined a new Bill which would limit the power to tap by authorised bodies.

"There is a cause for public concern," he said. "It is against a not unsurprising background of declining public confidence in Government institutions."

The police would have to make an application to the Home Secretary for a warrant for "interception of communications," under a sworn affidavit.

Germany's payment to EEC soars

By Jonathan Carr in Bonn

WEST GERMANY'S net financial contribution to the European Community almost doubled last year to DM 3.9bn (£1bn) from DM 2.1bn — the first time it has shown an increase since 1975.

The development, revealed in official figures shortly to be made public by the Bundesbank, emerges at an awkward time for Britain, which is arguing for a big cut in its net contribution on the ground that it is one of the poorer EEC states.

The British case had been at least partly helped by a series of annual figures showing that West Germany, one of the wealthiest members, was paying on a net basis ever less to the EEC.

While the German gross contribution to the EEC Budget rose year by year, so did German receipts from Brussels—mainly for farm price support within the Common Agriculture Policy.

The result was that a net German contribution to the EEC of DM3.8bn in 1975 dropped to DM3.7bn in 1976, to DM3.2bn in 1977 and to DM2.1bn in 1978.

The figures show that last year the Germans paid a gross contribution to Brussels of DM12.3bn (£3.1bn) compared with DM10.8bn in 1978. At the same time, they received from Brussels only DM8.48bn (£2.1bn), against DM8.7bn before.

The resulting net deficit of DM3.9bn was one major factor contributing to Germany's overall current account deficit last year of about DM9bn. This was the first such deficit since 1965.

A current account deficit is expected this year, too.

While Germany's overall receipts from the EEC dropped last year, those going specifically to farm price support under the regulations of the CAP increased to DM7.4bn from DM7.2bn in 1978.

The EEC farm payments to Germany have thus more than doubled since 1976 and are taking up a higher proportion of overall German receipts from the Community than ever.

This fact is regretted by the Bonn Finance Ministry, which sees in it an undesirable redistribution of revenue in favour of farm price support—often for products already in surplus. But efforts to reform the CAP and to obtain a better balance in the EEC Budget—strongly urged by the British—have proved unavailing.

Weather

UK TODAY

Rather cloudy. Normal temperatures.

London, S.E., Cent. S., E., N.W., Cent. N., N.E. England, East Anglia, Midlands, Lake District, Borders, Edinburgh and Dundee, Aberdeen, Orkney and Shetland

Rather cloudy, mainly dry, bright in places. Winds south, moderate, locally fresh. Max. 8C (46F).

S.W. England, Wales, Isle of Man, Channel Is.

Sunny periods, cloudy later. Winds variable and light. Max. 9C (48F).

Rest of Scotland, N. Ireland

Mostly cloudy, occasional rain. Winds mainly south west, light to moderate. Max. 7C (45F).

Outlook: Some rain, but also brighter drier intervals. Night frost in places.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	12	54	Lisbon	F	13	55
Algiers	C	20	68	Locarno	C	6	43
Amsdm.	S	7	45	London	F	7	45
Athens	C	9	48	Luxmbg.	S	6	43
Bahrain	C	20	68	Luxor	S	22	72
Barclna.	R	10	50	Madrid	C	8	46
Beirut	F	16	61	Majorca	C	14	57
Belfast	R	7	45	Malaga	R	11	52
Belgrd.	S	3	37	Malta	C	14	57
Berlin	S	7	45	M'chstr.	C	7	45
Biarritz	F	13	55	Melbne.	C	36	97
Bmghm.	C	6	43	Milan	S	7	45
Blackpl.	C	6	43	Montreal	C	0	32
Bordx.	F	14	57	Moscow	Sn	−6	21
Boulgn.	F	8	46	Munich	S	5	41
Bristol	C	8	46	Nairobi	S	24	76
Brussels	S	9	48	Naples	F	12	54
Budpst.	S	5	41	Nwcstl.	C	4	39
B. Aires.	S	26	80	N. York	C	4	39
Cairo	S	18	64	Nice	F	11	52
Cardiff	C	7	45	Nicosia	R	12	54
Cas'b'ca	C	15	59	Oporto	S	11	52
Cape T.	S	26	79	Oslo	C	−2	28
Chicago	C	3	37	Paris	C	10	50
Cologne	S	7	45	Perth	C	25	79
Cpnhgn.	C	1	34	Prague	S	6	43
Corfu	S	13	55	Reykjvk.	C	1	34
Dublin	C	7	45	Rhodes	C	12	54
Dbrvnk.	S	12	54	Rio J'o	C	32	89
Ednbgh.	C	6	43	Rome	F	13	55
Faro	C	15	59	Salzbrg.	S	10	50
Florence	S	10	50	Singapr.	S	30	86
Frankft.	S	6	43	Stckhm.	C	−1	31
Funchal	C	17	63	Strasbg.	S	4	39
Geneva	S	6	43	Sydney	S	29	84
Gibrltr.	C	14	57	Tangier	C	13	55
Glasgow	C	7	45	Tehran	C	3	38
G'rnsey	C	8	46	Tel Aviv	S	16	61
Helsinki	C	−1	30	Tenerife	C	14	57
H. Kong	S	19	66	Tokyo	S	9	48
Innsbrk	S	5	41	Toronto	C	−1	30
Invrnss.	C	7	45	Tunis	F	17	63
I o Man	C	6	43	Valencia	C	13	55
Istanbul	C	6	43	Venice	S	8	46
Jersey	C	9	48	Vienna	S	5	41
Jo'burg	C	20	68	Warsaw	S	0	32
L. Plms.	F	18	64	Zurich	S	2	36

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

Lean times for Carrington

The results season is scarcely under way yet, but Carrington Viyella is the third sizeable industrial company within a week to cut its dividend, following hard on the heels of Birmid Qualcast and Alcan Aluminium (UK). At some 55 per cent, it was more drastic than the market had been fearing, so the share price lost 1½p to 16p. At this level the shares still yield 10 per cent.

Carrington continues to earn good profits in some of its more up-market businesses in shirts, dresses, lingerie and household textiles, but it is being hurt badly by imports in a number of key areas. So after holding pre-tax profits unchanged at £5.1m at the half-way stage, the group could manage only £8.5m against £14.5m for the full year after charging £2.4m (against £0.7m) of reorganisation costs.

The worst individual loss-maker within the group has been the carpets business, which was more than £2m in the red in 1979, and there have also been serious problems in trouserings and suiting and jacquard fabrics. In all, losses in these operations have totalled some £5m, and there has also been an extraordinary deficit of £1.8m on the disposal of an Italian subsidiary.

Quick action has been taken to limit the damage, and Carrington reckons that £3½m-£4m of these losses will be eliminated in 1980. The demand picture is apparently not too bad so far, but Carrington is not making any guesses about how this year could turn out.

In the circumstances, and with year-end debt up from £55.5m to £62.4m, the group is battening down the hatches and is concentrating on survival. Capital spending in 1980 will be halved from the £16m level of two years ago, there will be further operational cutbacks "as and when it becomes necessary" and the target is to cut the cash outflow to zero. It is a picture which could become unpleasantly familiar in the UK manufacturing sector this year.

Index fell 3.5 to 458.3

Armitage Shanks

Today is the first closing date in Blue Circle's bid for Armitage Shanks, and the outcome is still uncertain even though Blue Circle already owns nearly 15 per cent, while the terms are agreed and are wholly reasonable. The all-equity version values Armitage at around £31m, which is nearly four-fifths more than the market price before the news and compares with up to date net worth of roughly £28m.

But a Lebanese owned company, Ceramics Investments, has built its holding in Armitage up from 21 to 28.6 per cent since Blue Circle bid, and says that it will not accept these terms in present circumstances. It seems quite happy to remain a large minority shareholder in an independent Armitage.

There is probably nothing to be lost from sitting on the fence for a little longer. But with no sign of a counter bid, the most that could be gained is a few pennies more on the price whereas if Blue Circle walked away the downside risk would be substantial. Maybe Blue Circle should call Ceramics bluff and say that there is nothing more to come.

Interest rates

Competitive interest rate management is not yet recognised at an Olympic sport, but the European teams are beginning to limber up, hard on the heels of the U.S. and Japan. Yesterday the Swiss loosened inward foreign exchange controls to attract funds into the Swiss franc, and the Bank of France raised its paper rate—roughly equivalent to MLR—by ½ point to 12½ per cent.

The French franc is riding high in the European Monetary System at present, and it rather looks as though the French and Swiss central banks have been alerted by the Bundesbank about plans to tighten the screw further in Germany, and are taking pre-emptive action.

Despite these adverse international influences, and a grim set of average earnings figures, the gilt-edged market managed to rally in response to broad hints that the Government is planning somehow to produce an agreeably low figure for the 1980-81 public sector borrowing requirement. And the Bank of England successfully contrived easy conditions in the Money markets for make-up day, which must have helped.

But there are signs that the clearing banks are still not satisfied with the help given to them so far to reduce their difficulties with the corset, and are threatening to raise base rates if they are not given more help. This time the authorities must call the clearers' bluff—or perhaps propose a windfall profits tax.

Gillett

Gillett Brothers Discount drew up its accounts on January 31, a month later than Union and Alexanders. In common with the latter it took a hiding in 1979, despite some profitable gilt-edged business in January, and has had to dig into its inner reserves to pay a dividend. But whereas Alexander, a larger and more powerful house, felt able to maintain its dividend, Gillett has cut its payment by 38 per cent.

Presumably Gillett feels the immediate prospects in the money market are not promising enough to justify more generous distribution of its funds, and besides, lower reserves reduce the size of book that it is allowed to run. The total book may be relatively small, but fixed costs are similar to those of larger houses, and the yield on the shares, down 40p to 185p, is only average for the sector at 8½ per cent.

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